

*Alberta*

Freedom To Create. Spirit To Achieve.

# Housing and Urban Affairs

**Annual Report**  
2009-2010

**Government of Alberta ■**



# HOUSING AND URBAN AFFAIRS

## *Annual Report 2009-10*

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## Preface

### Public Accounts 2009-10

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries. The annual report of the Government of Alberta released June 30, 2010 contains Ministers' accountability statements, the consolidated financial statements of the Province and The *Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

**This annual report of the Ministry of Housing and Urban Affairs contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:**

- the financial statements of entities making up the Ministry including the Department of Housing and Urban Affairs and the Alberta Social Housing Corporation for which the Minister is responsible,
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

## **Minister's Accountability Statement**

The Ministry's annual report for the year ended March 31, 2010, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 13, 2010 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

**[Original signed by Jonathan Denis]**

**Jonathan Denis Q.C.**  
Minister of Housing and Urban Affairs

## Message from the Minister



March 16, 2010 marked the first anniversary of Alberta's 10-year plan to end homelessness. One short year ago we set out to implement a *Housing First* approach to address the challenge of homelessness. We committed to making a fundamental shift in our thinking from giving homeless Albertans a place to sleep, to finding individuals and families a place to live – all while connecting them with the right supports to break the cycle of homelessness.

The *Housing First* approach has exceeded all of our expectations. Over 1,700 homeless Albertans now have a place to live and we hear from them, that they now have hope, stability and security.

When using taxpayers' dollars to implement such a dramatic shift in policy, public accountability calls for verifiable measures. I am pleased to report that Albertans can point to the targets set for the first year of the 10-year plan to end homelessness and see in concrete terms that we met/or exceeded our targets in this key area of our business.

Building communities and helping people is not something Alberta can do alone. We do it by working with our partners – the federal government, Alberta's municipalities, community-based organizations, housing management bodies, non-profit and people-serving agencies, developers and private sector organizations – to ensure we both understand the issues and collaborate on appropriate solutions for low-income Albertans in need.

People needing assistance to obtain and maintain affordable and suitable housing have diverse needs and Alberta communities offer resources tailored to the distinct needs of their municipality. From supporting growing communities like Fort McMurray to helping low-income seniors remain in the areas they helped establish, our approach has been to focus on partnerships backed by a competitive grant process. This has allowed us to leverage tax-dollars with partners' support and build more housing units for less. Like all ministries, Housing and Urban Affairs also took action in 2009 to look internally at ways to more efficiently provide services to Albertans. The collective savings realized through these efforts helped to lower the deficit and improve the government's fiscal position.

As you read through this report, I encourage you to look beyond the numbers and think about how a house or apartment becomes a home, and a neighborhood becomes a community. The Government of Alberta understands that stronger, safer, more sustainable communities start with making sure Albertans of modest means can find and maintain housing. We believe our investments in ending homelessness, in affordable housing and in delivering related services will make a difference for generations to come.

It is an honour to serve as the Minister of Housing and Urban Affairs and I look forward to continuing to advance the tremendous work done by the dedicated staff in the Ministry and all of our partners.

**[Original signed by Jonathan Denis]**

Jonathan Denis Q.C.  
Minister of Housing and Urban Affairs

## Management's Responsibility for Reporting

The Ministry of Housing and Urban Affairs includes: the Department of Housing and Urban Affairs, the Alberta Secretariat for Action on Homelessness, the Alberta Social Housing Corporation, and the Community Development Advisory Board.

**The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.**

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Housing and Urban Affairs. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measure is prepared in accordance with the following criteria:

- **Reliability** – Information agrees with the underlying data and with the sources used to prepare it.
- **Understandability and Comparability** – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- **Completeness** – Performance measure and target matches those included in Budget 2009. Actual results are presented for the measure.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Housing and Urban Affairs any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

**[Original signed by Marcia Nelson]**

**Marcia Nelson**  
Deputy Minister of Housing and Urban Affairs  
September 2, 2010

# MINISTRY OVERVIEW

## Organizational Overview

The Department of Housing and Urban Affairs is composed of three main divisions and also includes supporting strategic corporate and shared services:

- **Housing Development and Operations**

The Housing Development and Operations Division works with over 400 community-based organizations, including municipalities, housing management bodies, non-profit and private sector organizations to ensure Albertans of modest means have access to affordable housing that meets their basic needs. This requires support for a mix of existing and new housing options for families, individuals, seniors, Albertans with special needs and the homeless. The division administers capital grant programs to increase the Province's supply of affordable housing; ensures the operations of the 26,000 provincially-owned or supported housing is managed effectively; and manages the delivery of the rent supplement programs and other grant initiatives delivered through the Department and the Alberta Social Housing Corporation.

- **Homeless Support and Land Development**

The Homeless Support and Land Development Division implements *A Plan for Alberta: Ending Homelessness in 10 Years*. The division works with community-based organizations in Alberta's seven major cities to deliver the Plan's initiatives; supports the Alberta Secretariat for Action on Homelessness in monitoring the implementation of the Plan; and funds 30 emergency shelter operators who deliver 3,564 emergency and transitional shelter spaces across the province. The division also oversees the development of Parsons Creek, a 1,000 acre residential and commercial initiative in Fort McMurray and ensures the timely release of suitable surplus land for the development of affordable housing in high-growth communities.

- **Policy and Urban Affairs**

The Policy and Urban Affairs Division undertakes strategic policy development, provides advice and statistical analysis and disseminates strategic information. The division develops program guidelines, conducts legislative reviews and administers the Ministry's strategic planning processes and reporting. The division also conducts policy research, and enterprise risk management planning, administers legislative services and manages federal/provincial/territorial relations. The division works with a variety of internal and external stakeholders to ensure that urban-specific issues related to affordable housing and homelessness are considered in government policy and program development.

- **Strategic Corporate Services**

Ministry support services enable the efficient delivery of Housing and Urban Affairs' programs and initiatives to help achieve Ministry goals and facilitate the effective use of resources. Services include managing correspondence with Albertans, supporting technology, financial operating, financial planning and reporting, records management, access to information and protection of personal information, strategic communications and media relations.

- **Shared Services**

Housing and Urban Affairs has established memoranda of understanding with the Ministries of Service Alberta, Justice, and Municipal Affairs to provide shared services including accounts payable and receivable administration, legal and human resources services.

- **Legislative Authority**

Both the Minister of Housing and Urban Affairs and the Minister of Seniors and Community Supports have delegated authority to administer the *Alberta Housing Act*. Authority for administering the regulations under the Act is as follows:

- Alberta Mortgage and Housing Corporation Loan Regulation  
(administered by *Housing and Urban Affairs*)
- Housing Accommodation Tenancies Regulation  
(administered by *Housing and Urban Affairs and Seniors and Community Supports*)
- Loan Insurance Regulation  
(administered by *Housing and Urban Affairs*)
- Lodge Assistance Program Regulation  
(administered by *Seniors and Community Supports*)
- Management Body Operation and Administration Regulation  
(administered by *Housing and Urban Affairs and Seniors and Community Supports*)
- Rent Supplement Regulation  
(administered by *Housing and Urban Affairs*)
- Social Housing Accommodation Regulation  
(administered by *Housing and Urban Affairs and Seniors and Community Supports*)

The Minister of Housing and Urban Affairs also shares responsibility with the Minister of Seniors and Community Supports and the Minister of Children and Youth Services to administer the *Social Care Facilities Licensing Act* and the *Supportive Living Accommodation Regulation*.

The Minister of Housing and Urban Affairs, the Minister of Seniors and Community Supports, and the Minister of Service Alberta are delegated authority to administer Schedule 13 of the *Government Organization Act*. The following regulations are enacted under Schedule 13, Social Housing and Consumer Matters:

- Guarantee Regulation
- Rural Emergency Home Program Loans Regulation

## Boards and Agencies

### **The Alberta Secretariat for Action on Homelessness**

The Alberta Secretariat for Action on Homelessness was established by Ministerial Order on January 25, 2008, pursuant to section 7 of the *Government Organization Act*. The Terms of Reference were agreed to by Cabinet on January 15, 2008 and members were appointed by Ministerial Order on January 25, 2008.

The mandate of the Secretariat is to develop and monitor the implementation of a provincial 10-year strategic plan to address homelessness. To fulfil this mandate, the Alberta Secretariat for Action on Homelessness provides strategic advice to the Minister of Housing and Urban Affairs related to the *Housing First* approach and provides support to communities as they develop their own 10-year plans to end homelessness.

### **The Community Development Advisory Board**

The Community Development Advisory Board was established by Ministerial Order on December 9, 2008, pursuant to section 7 of the *Government Organization Act*. The board's mandate is to make recommendations to the Minister of Housing and Urban Affairs regarding the overall development plan for the Parsons Creek land in Fort McMurray by considering:

- Dedication of lands for specific-purpose use, including market rental housing and commercial needs;
- Servicing of land;
- Release of serviced land parcels;
- Affordable housing;
- Social infrastructure;
- Use of surplus funds including cost implications and profits;
- Collaboration with other housing organizations; and
- Engagement of the community, including Aboriginal communities, faith-based organizations and other stakeholders and service providers.

The goal is to have serviced land available in the Parsons Creek area for sale to developers and builders by 2012. Profits from the sale of land owned by the province will be reinvested into affordable housing, schools, community health centres and recreation facilities, as well as other community assets.

### **The Alberta Social Housing Corporation**

The Alberta Social Housing Corporation (the Corporation) operates under the authority of the *Alberta Housing Act*.

The Corporation's primary purpose is to facilitate the provision of affordable housing options to low-income Albertans and those with special needs through community-based Housing Management Bodies (HMBs) and to administer the seniors' self-contained housing program. The Corporation owns and administers the Crown's portfolio of housing assets and manages provincial debts and agreements associated with those assets.

Most provincially-owned housing is operated and maintained by HMBs, which also operate under the authority of the *Housing Act*. The Corporation directly operates units not administered by HMBs, including administering the sale of provincially-owned properties that are no longer efficient or effective for social housing programs.

The Corporation also oversees provincial commitments and entitlements remaining from discontinued business activities such as mortgages and loan guarantees and directly operates and acts as the landlord for a small portion of units classified as "rural housing."

# RESULTS ANALYSIS

## Review Engagement Report



To the Members of the Legislative Assembly

I have reviewed the performance measure identified as "Reviewed by Auditor General" included in the *Ministry of Housing and Urban Affairs' 2009-10 Annual Report*. This performance measure was prepared based on the following criteria:

- **Reliability** – Information agrees with the underlying data and with sources used to prepare it.
- **Understandability and Comparability** – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- **Completeness** – performance measure and target matches those included in Budget 2009. Actual results are presented for the measure.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my Office by the Ministry. My review was not designed to provide assurance on the relevance of the performance measure.

A review does not constitute an audit and, consequently, I do not express an audit opinion on this performance measure.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measure in the Ministry's 2009-10 Annual Report is not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of this performance measure.

[Original signed by Merwan N. Saher]

CA  
Auditor General

Edmonton, Alberta  
August 26, 2010

## Performance Measure Summary Table

In the current year the Office of the Auditor General conducted a limited assurance engagement (review) of a selection of performance measures identified in annual reports.

For Housing and Urban Affairs, the Office of the Auditor General reviewed the following performance measure that was selected for review by ministry management based on the following criteria established by government:

- Ensuring a measure that best represents the goal and mandated initiatives,
- Measure that has well established methodology and data reporting,
- Measure that has outcomes over which the government had a greater degree of influence.

<b>Core Business One: Provide a range of housing options and supports for lower income Albertans</b>				
<b>Goal One: Albertans in need have access to a range of affordable housing options and effectively managed housing programs</b>				
<b>Performance Measure</b>	<b>Prior Years' Results</b>		<b>Target</b>	<b>Current Actual</b>
	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2009-10</b>
1. a) <i>Number of affordable housing units developed with support from provincial funding.</i>	3,002	2,888	2,200	2,899

NOTE: For more detailed information see methodology in the Results Analysis section of this annual report.

## Results Analysis

### Core Business One: Provide a range of housing options and supports for lower income Albertans

**Goal One:** Albertans in need have access to a range of affordable housing options and effectively managed housing programs

Affordable housing continues to be an important issue for Albertans and a top priority of the Government of Alberta. To help ensure Albertans have access to a range of affordable housing options, the government pledged to develop 11,000 affordable housing units by 2012. In 2009-10 Government committed capital funds for the development of 2,899 affordable housing units in partnership with municipalities, non-profit, and private sector organizations. This included 891 units supported through Municipal Block Funding, 1,075 units supported through Affordable Housing Request for Proposals, and 933 units in support of suitable safe housing options for the homeless. The Ministry saw an increase of \$43 million, mainly for affordable housing development, as a result of additional funds received from the Federal Government as part of the two-year Canada Economic Action Plan initiative. With the capital funding committed since 2007, over 8,700 units were either developed or under construction by March 31, 2010.

### Capital Initiatives

#### Affordable Housing – Municipal Block Funding

The Ministry provided \$100 million in funding to 39 high-growth, high-need municipalities to address housing priorities and help ease growth pressures, supporting the development of 891 units. This was up from 33 communities which received funding in 2007-08 and 37 in 2008-09. 2009-10 was the final year of this three year commitment. The funding provided was based on a formula that considered the community's population growth, average vacancy rates and average rents for a two-bedroom unit.

The following communities received Municipal Block Funding in 2009-10:

Municipality	Funding	Municipality	Funding	Municipality	Funding
Airdrie	\$1,361,482	Fort Saskatchewan	\$670,166	Red Deer	\$3,504,511
Banff	\$230,959	Grande Prairie	\$2,004,431	Rocky Mountain House	\$191,499
Beaumont	\$431,798	High River	\$427,648	Slave Lake	\$186,202
Brooks	\$359,666	Hinton	\$258,713	Spruce Grove	\$778,035
Calgary	\$41,619,141	Lacombe	\$306,197	St. Albert	\$1,549,285
Camrose	\$438,109	Leduc	\$819,260	Stettler	\$154,740
Canmore	\$318,829	Lethbridge	\$3,350,628	Stony Plain	\$493,376
Cochrane	\$584,764	Lloydminster	\$669,886	Strathcona County	\$3,412,923
Cold Lake	\$340,572	Medicine Hat	\$1,600,265	Strathmore	\$452,351
Devon	\$253,851	Morinville	\$288,451	Sylvan Lake	\$443,571
Drayton Valley	\$275,082	Okotoks	\$797,989	Wainwright	\$152,940
Edmonton	\$30,026,831	Olds	\$191,949	Wetaskiwin	\$309,137
Edson	\$333,826	Peace River	\$167,240	Whitecourt	\$243,697
		Total		\$100,000,000	

## Affordable Housing – Request for Proposals (RFP)

A total of \$90.3 million was provided through the Affordable Housing Program in 2009-10 for the development of affordable housing for families, individuals, seniors and persons with special needs. This included \$35.4 million in funding from the Government of Canada.

The funding from the Affordable Housing Program was made available through a RFP process that was announced on June 26, 2009, and closed on September 25, 2009. This process, which leverages private dollars with taxpayers' money, creates community partnerships and allows more units to be built more efficiently. It further allows for projects to be tailored meeting the unique needs of the community. The Ministry approved 26 applications through this process, supporting the development of 1,075 affordable housing units ranging from bachelor to three-bedrooms in size.

Of the 26 applications approved, 21 projects incorporated at least one neighbourhood revitalization component. Neighbourhood revitalization elements enhance existing neighbourhood resources, support economic development, and provide public services through amenities like outdoor play spaces and afterschool programs. Through the partnering approach, the average cost-per-unit to government is approximately \$97,500 per unit, less than 50 per cent of the average per unit cost of new construction.

## Housing for the Homeless – Request for Proposals (RFP)

Alberta released *A Plan for Alberta: Ending Homelessness in 10 Years* in March 2009. Budget 2009 outlined a capital commitment to create 2,700 housing units specifically for the homeless over three years. As part of that commitment, \$100 million in capital funding was allocated to municipalities, private not-for-profit and for-profit organizations across the province for the development of housing units for the homeless. An additional \$32 million was allocated for outreach and support services to help people remain successfully housed.

The funding for the development of housing units for the homeless was made available through a RFP process that was announced on June 30, 2009 and closed on October 2, 2009. The Ministry approved 27 applications supporting the development of 933 housing units for the homeless, significantly exceeding the target of 700 units. Of the 27 applications approved, 16 projects incorporated at least one neighbourhood revitalization component.

The following organizations received RFP funding to develop affordable housing and/or housing for the homeless in 2009-10:

Community/Proponent	Units	Funding
Alberta Caucus – Habitat for Humanity	68	\$6,000,000
Athabasca – 1468889 Alberta Ltd.	15	\$1,904,953
Black Diamond – 961481 Alberta Ltd.	28	\$3,401,331
<b>Calgary – Arise Housing Services Inc.</b>	<b>8</b>	<b>\$712,400</b>
Calgary – Bethany Care Society	46	\$5,801,616
<b>Calgary – Bishop O'Byrne Housing For Seniors Association</b>	<b>14</b>	<b>\$1,334,609</b>
Calgary – Bishop O'Byrne Housing For Seniors Association	54	\$4,780,078
<b>Calgary – Calgary Dream Centre</b>	<b>24</b>	<b>\$3,498,459</b>
<b>Calgary – Calgary Drop-In &amp; Rehab Centre Society</b>	<b>46</b>	<b>\$5,166,000</b>
<b>Calgary – Calgary Homeless Foundation (purchase existing units)</b>	<b>95</b>	<b>\$10,014,900</b>
<b>Calgary – Calgary Homeless Foundation (new construction)</b>	<b>52</b>	<b>\$6,187,000</b>
Calgary – Faith Evangelical Lutheran Church	34	\$5,100,000
<b>Calgary – Fresh Start Addictions Centre</b>	<b>26</b>	<b>\$4,600,000</b>

Community/Proponent	Units	Funding
<b>Calgary – Horizon Housing Society</b>	<b>22</b>	<b>\$2,122,934</b>
Calgary – Horizon Housing Society	73	\$7,044,291
<b>Calgary – Kanas Shelter Corporation</b>	<b>29</b>	<b>\$2,900,000</b>
Calgary – Multi Generational Housing and Community Centre	40	\$4,542,738
<b>Calgary – Mustard Seed Society</b>	<b>52</b>	<b>\$5,676,218</b>
<b>Calgary – Salvation Army Community Services Calgary</b>	<b>23</b>	<b>\$402,715</b>
Calgary – Sarina Developments Ltd.	34	\$4,174,582
Calgary – Trinity Place Foundation of Alberta	25	\$1,500,000
<b>Crossfield – New Life Centres Society "Small Town"</b>	<b>10</b>	<b>\$1,746,125</b>
Didsbury – Harvest Builders (o/a 1307754 Alberta Ltd)	20	\$1,638,932
<b>Edmonton – Capital Region Housing Corporation</b>	<b>11</b>	<b>\$1,342,935</b>
Edmonton – Capital Region Housing Corporation	40	\$4,883,399
Edmonton – Chinese Freemasons Society, Edmonton Lodge	96	\$5,000,000
<b>Edmonton – City of Edmonton Non-Profit Housing (homeEd – Westmount)</b>	<b>33</b>	<b>\$2,702,425</b>
<b>Edmonton – City of Edmonton Non-Profit Housing (homeEd – Inglewood)</b>	<b>21</b>	<b>\$1,651,057</b>
<b>Edmonton – Edmonton Inner City Housing Society</b>	<b>27</b>	<b>\$3,152,205</b>
Edmonton – Five Oaks Inc.	18	\$980,000
Edmonton – Greater Edmonton Foundation: Housing for Seniors	50	\$6,758,050
<b>Edmonton – Hope Mission</b>	<b>52</b>	<b>\$7,280,000</b>
<b>Edmonton – Integrated Management &amp; Reality</b>	<b>114</b>	<b>\$7,987,884</b>
<b>Edmonton – Jasper Place Health &amp; Wellness</b>	<b>30</b>	<b>\$4,200,000</b>
<b>Edmonton – Leston Holdings (1980) Ltd. and Boyle Street Community Services (in Partnership)</b>	<b>60</b>	<b>\$5,980,056</b>
Edmonton – Métis Capital Housing Corporation (c/o Sponsor Group – City of Edmonton)	28	\$5,000,000
<b>Edmonton – Mustard Seed Society</b>	<b>30</b>	<b>\$3,164,832</b>
Edmonton – Native Counseling Services of Alberta	4	\$600,000
Edmonton – ProCura Real Estate Services Ltd. (Mesa West Capital Corp.)	237	\$6,380,000
<b>Edmonton – Singapore Baba Restaurant Ltd.</b>	<b>18</b>	<b>\$2,379,510</b>
Edson – Alpha-Anderson Joint Venture	39	\$4,345,778
Evansburg – Pembina Housing Authority	16	\$2,010,928
Fox Creek – Heart River Housing	10	\$1,241,170
<b>Grande Prairie – Contemporary and Innovative North Residences Corp</b>	<b>56</b>	<b>\$5,400,000</b>
<b>Lac La Biche – Hope Haven Society</b>	<b>2</b>	<b>\$300,000</b>
Leduc – Leduc Foundation	24	\$1,578,892
<b>Lethbridge – Covenant Health – St. Michael's</b>	<b>40</b>	<b>\$5,600,000</b>
Magrath – Town of Magrath	16	\$1,760,000
<b>Red Deer – Shining Mountains Living Community Services</b>	<b>8</b>	<b>\$932,139</b>
Slave Lake – Slave Lake Developments (1997) Ltd.	35	\$1,970,000
<b>Sundre – Mustard Seed Society or Designate</b>	<b>30</b>	<b>\$3,565,597</b>
Turner Valley – Foothills Foundation	7	\$1,043,783
Vegreville – Studios Alberta Ltd. (formerly 1156831 Alberta Ltd.)	18	\$869,479
<b>Total</b>	<b>2,008</b>	<b>\$190,310,000</b>

Note 1: Funding to Leduc Foundation under the Affordable Housing Request for Proposals is combined with Block Funding to the communities of Leduc, Beaumont and Devon.

Note 2: The bolded proponents above indicate housing units dedicated to the homeless.

In 2009-10, the Ministry committed to develop 2,899 affordable housing units. Through partnerships with municipalities, non-profit, and private sector organizations, the Ministry provided funding for the following capital funding initiatives:

- the Affordable Housing Municipal Block Funding Program, 891 units;
- the Affordable Housing Program Request for Proposals, 1,075 units; and
- the Housing for the Homeless Request for Proposals, 933 units.

The Ministry continues to enhance the process for tracking and monitoring affordable housing projects. In 2009-10, the Ministry monitored the 109 Municipal Block Funding agreement and the 258 agreements approved under various capital programs from 2002-03 to 2009-10 to ensure units are targeted to lower-income households in compliance with program requirements.

## Housing Support Programs

Housing and Urban Affairs provided almost \$140 million in operating funding to Housing Management Bodies (HMBs) to support safe, secure and affordable housing for over 84,000 lower-income families, seniors, individuals, and persons with special needs. This includes financial supports for the operation of over 26,000 provincially-owned and/or supported housing units and approximately 20,500 privately-owned rent supplement units. The majority of publicly-owned housing units include over 14,000 seniors' self-contained units which provide housing to over 15,000 lower-income seniors.

The Ministry received \$22.7 million from Canada Mortgage and Housing Corporation under Canada's Economic Action Plan, which was matched by the Province, for a total of \$45.4 million. This funding was provided to Housing Management Bodies to cover repairs or replacements of major building components such as roofs, windows, heating, and plumbing for the 26,000 provincially-owned housing units.

### Rent Support

In 2009-10, the Ministry provided \$85.5 million in funding for rent support programs to help low-income households obtain and maintain affordable and suitable rental accommodation by subsidizing rents in eligible privately-owned rental projects. Tenant selection and the administration of rental subsidies is the responsibility of local Housing Management Bodies (HMBs) located throughout the province. Applicants for rent support programs are prioritized on the basis of need, as determined by income, assets, number of dependants and current housing conditions. Rent support programs administered by HMBs include:

- **Direct to Tenant Rent Supplement (DTRS)**

Under this program, eligible applicants receive subsidies based on the difference between market rent and 30 per cent of the applicant's total household income, to a maximum subsidy established by the HMB. In total, \$44.4 million was provided directly to 15,500 households, including clients who were transitioned from the Homeless and Eviction Prevention Fund to the DTRS program.

The Ministry also initiated a review of the DTRS program to ensure subsidies are delivered effectively to clients in need. Reviews completed in Calgary, Edmonton, Grande Prairie and Medicine Hat verified funding was being delivered in accordance with agreements and regulations.

- **Private Landlord Rent Supplement (PLRS)**

Under this program, HMBs enter into agreements directly with private landlords to provide a rent supplement that is equal to the difference between market rent and the amount eligible tenants pay based upon 30 per cent of their household income. In 2009-10, the Ministry provided \$30.8 million to HMBs to assist over 4,700 households through this program.

- **Homeless and Eviction Prevention Fund Transition (HEPF)**

The rent shortfall component of the HEPF transferred from Employment and Immigration to Housing and Urban Affairs on April 1, 2009. From April to August 2009, the Ministry provided \$10.4 million to support 10,000 clients receiving short-term HEPF benefits until they were transitioned to the local HMBs that administer the DTRS program on August 1, 2009.

## **Special Needs Housing**

The Ministry provided \$5.8 million in funding for approximately 1,600 special needs units so private non-profit and public organizations could provide affordable rental accommodations to over 2,400 Albertans with physical, social or mental health needs. On-site support services were provided by private non-profit and public organizations.

## **Other Housing Grants**

The Ministry provided \$683,000, including \$353,000 in funding from Alberta Infrastructure through the Capital for Emergent Projects Program, for additional housing grants as follows:

- \$180,000 for registry services costs to four housing registries providing services including locating and placing lower-income clients in suitable, safe and affordable housing and documenting information on household problems.
- \$53,000 for flooring replacement at a Calgary shelter.
- \$300,000 for costs related to design work and preparation of tender documents to install an additional elevator in the Kiwanis Place Lodge in Edmonton.
- \$150,000 for an annual grant to the Métis Nation of Alberta for special projects funding.

## **Social Housing Portfolio**

The Ministry initiated a four-year project with Alberta Infrastructure to conduct a physical inventory and evaluation of over 26,000 provincially-owned social housing units located at over 1,100 sites throughout Alberta. In 2009-10, substantive progress was made in completing the inventory and condition analysis for approximately 85 of the projects, which includes 7,600 units.

## **Performance Measure**

### **Performance Measure 1a: Number of affordable housing units developed with support of provincial funding.\***

To increase the supply of sustainable and affordable housing in Alberta's high-growth, high-need communities, the Ministry partners with municipalities, non-profit organizations and the private sector and provides approved funding to collaborative projects that meet community needs. Progress is measured by tracking the number of affordable housing units approved for development with provincial funding. This includes:

- the construction of new rental units;
- the purchase/renovation of existing rental accommodation units;
- the development of secondary suites in private dwellings as affordable housing;
- the conversion of non-residential space to residential units, and
- other priorities as identified by the municipality.

\* Total affordable housing units include funding committed during the fiscal year and in any phase of development.

## Methodology

This measure is comprised of the total number of affordable housing units approved for development with capital funding support from the Affordable Housing Municipal Block Funding Program, Wood Buffalo Housing Initiative, Affordable Housing Program Request for Proposals (RFP) process and the Housing for the Homeless RFP process. Total affordable housing units include funding committed during the fiscal year and in any phase of development.

In 2009-10, \$100 million in funding was available under the Affordable Housing Municipal Block Funding Program. Municipalities qualifying for funding in 2007-08 and 2008-09 automatically qualified for funding in 2009-10. Eligibility of new municipalities with a population over 5,000 in 2009-10 (excluding the Regional Municipality of Wood Buffalo), was based upon the following criteria:

- Population growth over the provincial average of 4.5 per cent;
- Vacancy rate under the provincial average of 3.5 per cent; and
- Average two-bedroom rental rate over the provincial average of \$790.

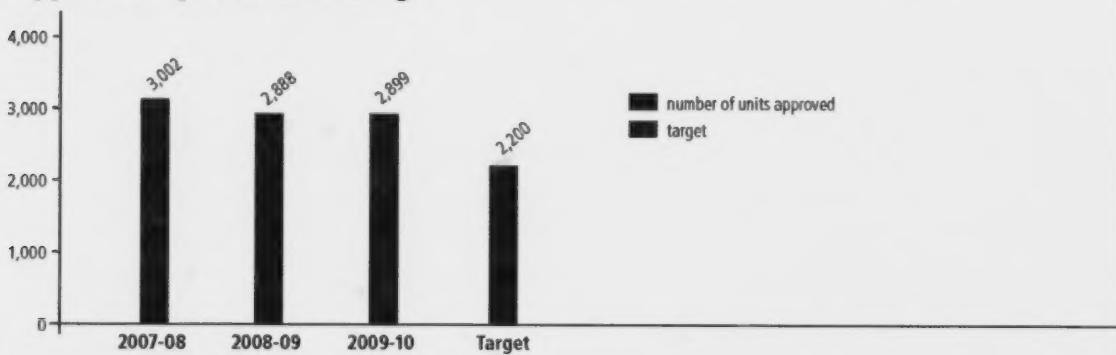
In 2009-10 over \$90 million in funding, including \$35.4 million in federal funding was available through the Affordable Housing Program RFP. Any municipality, private sector or non-profit organization was eligible to apply based upon the established program criteria.

\$100 million in affordable housing funding was reallocated to the Housing for the Homeless Program RFP and made available in 2009-10. Any municipality, private sector organization or non-profit group was eligible to apply based upon the established program criteria.

Data is based on the total number of proposed and/or approved affordable housing units as outlined in the grant funding agreements. Information is collected, updated and maintained by the Ministry on a regular basis.

This presentation is based on the most recent information available. The numbers are continually updated based on new information. This presentation is based on approved and updated housing plans as at March 31, 2010.

### Affordable Housing Units – Number of affordable housing units developed with support from provincial funding\*



Source: Housing and Urban Affairs

Note: The 2009-10 actual (as at March 31, 2010) is 2,899 units; the 2008-09 results (as at March 31, 2010) is 2,888 units; and the 2007-08 results (as at March 31, 2010) is 3,002 units – based on approved housing plans submitted by municipalities for the Affordable Housing Municipal Block Funding Program, approved funding under the Affordable Housing Program Request for Proposals (RFP), approved funding under the Wood Buffalo Housing Initiative and approved funding under the Housing for the Homeless Program RFP. The figures do not include rent supplement units supported with block funding, as this is a short-term operating initiative to bridge the time required to develop new or additional units.

\* Total affordable housing units include funding committed during the fiscal year and in any phase of development.

## Core Business Two: Address homelessness

**Goal Two:** Homeless Albertans have access to stable housing and support services to address their challenges

Alberta released Canada's first provincial 10-year plan to end homelessness in March 2009.

Through *A Plan for Alberta: Ending Homelessness in 10 Years*, Housing and Urban Affairs adopted the *Housing First* approach to address homelessness.

The *Housing First* approach recognizes that emergency shelters are not a long-term housing option for those whom are homeless. *Housing First* provides homeless individuals with permanent housing along with supports such as intensive medical, psychiatric and case management services including life skills training, landlord liaison assistance and addictions counseling. Addressing these needs helps people maintain their housing over the long-term.

Budget 2009 outlined a capital commitment to create 2,700 housing units over three years, specifically for the homeless. As part of that commitment, \$100 million in capital funding was allocated in 2009-10 to create 700 housing units, and an additional \$32 million was allocated for outreach and support services to help people remain successfully housed. In 2009-10, the Ministry supported the development of 933 units of housing for the homeless, significantly exceeding the target of 700 units, due in part to reduced construction costs across the province.

### Funding for Emergency Shelters

In 2009-10, the Ministry allocated \$39.2 million to fund 3,564 emergency shelter spaces in 30 facilities across nine Alberta communities. Funding allocation is based on shelter space usage in the community, which is monitored on a daily basis. The following table provides a breakdown of Provincial support for shelters in 2009-10:

Community	Number of Facilities	Spaces Provided	Funding
Calgary	10	2,079	\$24,383,047
Edmonton	10	1,021	\$9,699,500
Fort McMurray	2	162	\$2,326,459
Grande Prairie	2	79	\$437,786
High Level	1	20	\$221,118
Lethbridge	2	130	\$1,300,000
Lloydminster	1	20	\$136,253
Medicine Hat	1	30	\$425,998
Red Deer	1	23	\$288,582
<b>Total</b>	<b>30</b>	<b>3,564</b>	<b>\$39,218,743</b>

The Ministry also provided \$325,963 in funding to the following four organizations for the extension of shelter services and support for H1N1 services.

Organization	Funding
Calgary Inn from the Cold	\$175,000
Brenda Strafford Foundation	\$100,000
Neighbours Outreach Wetaskiwin Society	\$48,676
Homeward Trust Edmonton	\$2,287
<b>Total</b>	<b>\$325,963</b>

During the winter of 2009-10, the Ministry provided \$2.9 million for an additional 373 winter emergency spaces. This was a decrease of 173 spaces from the previous year. Funding to communities below was allotted as follows:

Community	Spaces Provided	Funding
Calgary	293	\$1,547,440
Edmonton	0	\$712,500
Fort McMurray	0	\$0
Grande Prairie	30	\$262,227
Lethbridge	0	\$0
Medicine Hat	20	\$175,300
Red Deer	30	\$155,691
<b>Total</b>	<b>373</b>	<b>\$2,853,158</b>

In Edmonton, sufficient shelter space existed to accommodate demand, but drop-in locations were funded and transportation support provided:

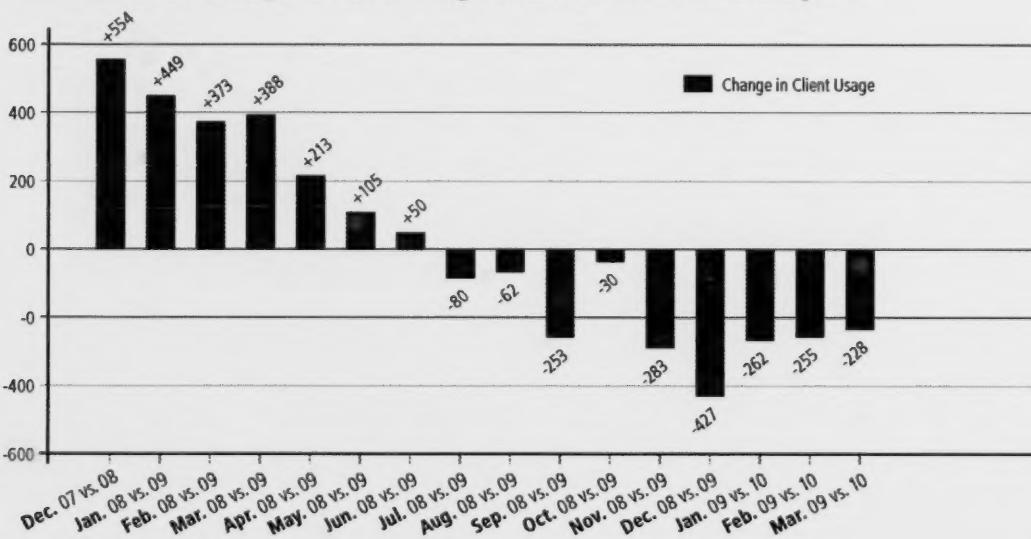
- Homeward Trust provided support to extend drop-in hours at the Boyle Street Drop-In Centre and to set up two additional drop-in locations.
- Transportation support was also made available to ensure clients could access shelter services.

In 2009-10 \$1.8 million was transferred from the Rent Supplement Program to cover pressures in the emergency shelters program.

As depicted in the following chart, based on a year-over-year, monthly comparison, shelter usage was reduced during 2009, and from July 2009 to March 2010 remained below 2008 levels. Alberta's 10-year plan to end homelessness was approved March 16, 2009.

For example, in December 2008, 554 more shelter spaces were utilized than in December 2007 whereas in December 2009, 427 fewer shelter spaces were utilized than at the same time one year earlier.

### Year Over Year Change in Client Usage of HUA Funded Shelter Spaces



## Housing and Support Services for the Homeless

In 2009-10, the Ministry provided \$32 million to community-based organizations to provide permanent housing and support services necessary to ensure homeless Albertans who were provided with housing received the support services required to enable them to maintain their housing. Over 1,700 homeless Albertans were housed in the first year of the 10-year plan, exceeding the first-year target of 1,000.

Recipients of the \$32 million were as follows:

Community	Funding
Calgary Homeless Foundation	\$13,800,000
City of Grande Prairie	800,000
City of Red Deer	1,100,000
Edmonton Homeward Trust	9,800,000
Lethbridge Social Housing in Action	800,000
Medicine Hat Community Housing Agency	780,000
Regional Municipality of Wood Buffalo	950,000
<b>Total</b>	<b>\$28,030,000</b>

The remaining \$4 million was targeted to help meet emergent needs in the province and was distributed as follows:

Proponents	Funding
Calgary	\$1,832,340
City of Grande Prairie	\$128,220
City of Red Deer	\$136,918
Edmonton	\$1,365,660
Homeless Awareness Calgary Committee	\$75,000
Lethbridge	\$132,870
Medicine Hat	\$158,886
Regional Municipality of Wood Buffalo	\$126,204
<b>Total</b>	<b>\$3,956,098</b>

The Ministry worked collaboratively with shelter operators to support the direction of *A Plan for Alberta: Ending Homelessness in 10 Years*. Results included developing expectations for shelter operators to reflect Alberta's move to a *Housing First* philosophy and supporting shelter clients as they progress to permanent housing.

Communities and homeless-serving agencies have begun to make the philosophical shift to the *Housing First* approach. All seven major centres (Calgary, Edmonton, Grande Prairie, Lethbridge, Medicine Hat, Red Deer and the Regional Municipality of Wood Buffalo) have begun implementing multi-year plans to end homelessness, consistent with *A Plan for Alberta: Ending Homelessness in 10 Years*.

In Edmonton, the Ministry participated on the Shelter Operations Strategy Committee with the Ministry of Employment and Immigration (EI) and housing and support agencies to ensure cost-effective and efficient delivery of services. The Ministry continued to partner with EI, Seniors and Community Supports (SCS) and nonprofit organizations to help move homeless families and individuals with mental and physical disabilities out of motels and hotels. During the year, the Committee expanded to include representatives from SCS and Homeward Trust.

The Ministry worked with community-based organizations in the seven major centres (Calgary, Edmonton, Grande Prairie, Lethbridge, Medicine Hat, Red Deer and the Regional Municipality of Wood Buffalo) on plans to develop an information management system by collecting reliable and standardized data on homelessness from providers across the province. A paper-based information management system was implemented in May 2009, and the Ministry continued to provide direction and support for the planned move to a web-based system to track aggregate data, which will be operational in 2010-11.

A Cross-Ministry Assistant Deputy Minister Committee on Affordable Housing and Homelessness ensured cost-effective, coordinated and efficient delivery of services across government. Initiatives such as identification cards for homeless individuals, coordinated discharge from provincial institutions, damage deposits for *Housing First* clients and the issuance of health cards show that participating Government of Alberta Ministries are working together to support the 10-year plan to end homelessness.

The Ministry collaborated with Alberta Health Services and Alberta Health and Wellness on Pandemic Influenza planning for vulnerable populations. The Ministry developed and implemented the H1N1 operational guide, communications protocol and stakeholder outreach plan for homeless shelter operators.

### **The Alberta Secretariat for Action on Homelessness**

The Secretariat continues to work with the Ministry to help Alberta communities develop and implement their own community-based homeless plans. The Secretariat adopted a research model and agenda that involves Alberta's post secondary institutions and will help inform policy development and share best practices for ending homelessness.

Additional information about the Alberta Secretariat for Action on Homelessness is available in the Secretariat's Annual Report, which is available on the Housing and Urban Affairs website at [www.housing.alberta.ca](http://www.housing.alberta.ca).

## Core Business Three: Identify and address unique issues affecting urban centres

### Goal Three: Growth pressures faced by urban centres are effectively managed

Housing is a key determinant in Albertans' economic, physical and social well-being and a fundamental building block for healthy, safe and sustainable communities. The unique issues faced by Alberta urban centres, particularly in relation to housing and homelessness, are a key focus for the Ministry.

#### Parsons Creek Land Development – Fort McMurray

The Ministry is playing a central role addressing the need for housing in Fort McMurray. As part of its mandate to provide advice to the Ministry, the Community Development Advisory Board (CDAB) met several times in 2009-10 to discuss and finalize the community vision for Parsons Creek in Fort McMurray. The CDAB provides recommendations to government regarding the overall development plan for the Parsons Creek land in Fort McMurray, including land use and cost implications.

In 2009-10, the Province received approval for \$166 million for both on- and off-site development for Phase One of the Parsons Creek development. Of this, \$87 million was specific to the Ministry for on-site development of Parsons Creek. Phase One will cover 450 acres and include more than 2,000 new housing units with 400 units dedicated to affordable housing. Site preparation of Phase One lands and construction of an access road were completed in 2009-10. This development aligns with the Community Development Plan delivered by the Oil Sands Sustainable Development Secretariat and is guided by the CDAB.

The Ministry worked with Stantec to create a project development schedule that meets the 2012 time-frame for the release of serviced land. On behalf of Housing and Urban Affairs, Stantec consulted with the public, the municipality, industry and all concerned parties to develop the Parsons Creek Outline Plan for Phase One.

#### Crown and Surplus Lands – Land Disbursement Policy Framework for Affordable Housing

Crown and surplus provincial lands have been made available for affordable housing projects through the Government of Alberta Land Disbursement Policy Framework for Affordable Housing. As part of this framework, the Ministry led cross-ministry work which identified provincial land that may be sold to municipalities and non-profit groups for a nominal sum to create affordable housing for families and seniors. The Cross-Ministry Sub-Committee on Land Issues was tasked with setting up an inventory of provincial properties/lands suitable for affordable housing in high growth, high need communities to facilitate and promote additional developments.

In addition, Housing and Urban Affairs (HUA) administers Nominal Sum Dispositions to transfer Alberta Social Housing Corporation (ASHC) assets to support the development of new affordable housing units. The Ministry approved nominal sum transfers to the Acadia Foundation for \$3,653,350 and the Oi Kwan Foundation for \$3,425,000 to facilitate the development of new affordable housing units for seniors in Oyen, Consort and Calgary.

The Ministry participated in cross-ministry initiatives involving Government of Alberta owned lands in the context of creating residential development lands including affordable housing. This included meetings of the Centralized Land Disposition Committee chaired by Alberta Infrastructure and the Land-Use Framework for Lower Athabasca and South Saskatchewan Regional Plans and Social Indicators framework studies chaired by Sustainable Resource Development.

## Urban Affairs

The Ministry supported initiatives that address urban social issues and capacity building as they relate to housing and homelessness through program policy development. The Ministry worked in partnership with Employment and Immigration to increase access to employment and training supports for lower-income Albertans living in community housing.

Housing and Urban Affairs (HUA) is a partner in cross-ministry work to address the impacts of crime on our communities through the Safe Communities Initiative. In 2009-10, the Pathways to Housing – Corrections Diversion Program was launched in Calgary. This *Housing First* project, supported through the Province's Safe Communities Innovation Fund, uses a multi-disciplinary team of professionals to help and re-house homeless individuals released from correctional facilities.

HUA is committed to working in partnership with its stakeholders and in 2009-10 the ministry developed a Stakeholder Engagement Framework to enhance engagement with the Ministry's stakeholders. The Framework provided direction to enhance the role of the Cross-Ministry Assistant Deputy Minister Committee on Affordable Housing and Homelessness to strategically engage cross-ministry partners in policy development. A Deputy Minister's Stakeholder Network was also established to involve the Ministry's stakeholders on a broad array of program and policy issues.

In 2009-10, the Ministry launched *Housing Starts Here*, a newsletter to keep Albertans informed about results achieved on major strategies like *A Plan for Alberta: Ending Homelessness in 10 Years* and to create a better understanding of housing supports for lower-income Albertans. HUA also produced a monthly Housing Market Bulletin with data and trends related to Alberta's real estate, home construction, rental market and general economic indicators. This monthly publication provides insight and analysis to keep Albertans informed about the housing market. Both publications are available on the Ministry's website at [www.housing.alberta.ca](http://www.housing.alberta.ca).

## ***Ministry Expense by Function***

Ministry of Housing and Urban Affairs  
**Expense by Function for the year ended March 31, 2010**

	<b>2009-10 Budget (Estimates)</b>	<b>2009-10 Actual</b>	<b>2008-09 Actual (Restated)</b>
General Government	\$ —	\$ 352,623	\$ 2,280,000
Debt Servicing Costs	18,970,000	18,968,316	20,393,877
Protection of Persons and Property	—	—	2,300,000
Regional Planning	8,656,000	7,709,497	7,751,224
Housing	457,453,000	507,584,149	559,935,872
Social Services	93,895,000	85,418,685	59,373,893
<b>Total Expense by Function</b>	<b>\$ 578,974,000</b>	<b>\$ 620,033,270</b>	<b>\$ 652,034,866</b>



# **FINANCIAL INFORMATION**

Financial Statements for the year ended March 31, 2010

- 27      Ministry of Housing and Urban Affairs Consolidated Financial Statements
- 55      Department of Housing and Urban Affairs Financial Statements
- 78      Alberta Social Housing Corporation Financial Statements



## **Ministry of Housing and Urban Affairs**

### **Consolidated Financial Statements**

**March 31, 2010**

#### **Auditor General's Report**

#### **Consolidated Statements of Operations**

#### **Consolidated Statements of Financial Position**

#### **Consolidated Statements of Cash Flows**

#### **Notes to the Consolidated Financial Statements**

#### **Schedules to the Consolidated Financial Statements:**

- 1 Revenues**
- 2 Expenses - Directly Incurred Detailed by Object**
- 3 Budget**
- 4 Related Party Transactions**
- 5 Allocated Costs**

## Auditor General's Report



To the Members of the Legislative Assembly

I have audited the consolidated statements of financial position of the Ministry of Housing and Urban Affairs as at March 31, 2010 and 2009 and consolidated statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**[Original signed by Merwan N. Saher]**

CA  
Auditor General

Edmonton, Alberta  
June 8, 2010

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Consolidated Statements of Operations

Year ended March 31

(in thousands)

	2010		2009
	Budget (Schedule 3)	Actual	Actual (Restated - Note 2d)
<b>Revenues</b> (Schedule 1)			
Transfers from the Government of Canada	\$ 80,100	\$ 138,649	\$ 107,422
Investment Income	6,035	2,281	5,942
Other Revenue	225	17,324	11,950
	<hr/> 86,360	<hr/> 158,254	<hr/> 125,314
<b>Expenses - Directly Incurred</b> (Note 2c and Schedule 5)			
<b>Voted</b> (Schedule 2)			
Ministry Support Services	6,375	5,464	4,233
Housing Development and Operations	278,421	286,730	468,709
Homeless Support and Land Development	179,522	180,225	55,320
Policy and Urban Affairs	2,281	2,114	1,771
	<hr/> 466,599	<hr/> 474,533	<hr/> 530,033
<b>Statutory</b> (Schedule 2)			
Alberta Social Housing Corporation	87,320	126,397	99,851
Debt Servicing Costs	18,970	18,968	20,394
	<hr/> 106,290	<hr/> 145,365	<hr/> 120,245
<b>Valuation Adjustments</b>			
Provision for Doubtful Accounts	-	-	1,385
Provision for Losses on Guarantees, Indemnities and Mortgages	85	4	6
Provision for Vacation Pay	-	131	366
	<hr/> 106,375	<hr/> 145,500	<hr/> 122,002
	<hr/> 572,974	<hr/> 620,033	<hr/> 652,035
Gain on Disposal of Tangible Capital Assets	14,410	7,337	10,252
<b>Net Operating Results</b>	<b>\$ (472,204)</b>	<b>\$ (454,442)</b>	<b>\$ (516,469)</b>

The accompanying notes and schedules are part of these financial statements.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Consolidated Statements of Financial Position

Year ended March 31

(in thousands)

	2010	2009
	(Restated - Note 2d)	
<b>Assets</b>		
Cash (Note 3)	\$ 255,667	\$ 237,328
Accounts Receivable (Note 4)	99,573	45,461
Loans and Advances (Note 5)	3,161	4,998
Deferred Financing Charges	515	668
Tangible Capital Assets (Note 6)	626,621	638,796
	<u>\$ 985,537</u>	<u>\$ 927,251</u>
<b>Liabilities</b>		
Accounts Payable	\$ 3,338	\$ 5,862
Accrued Liabilities	495,144	375,016
Accrued Interest Payable	2,172	2,264
Allowance for Losses on Guarantees and Indemnities (Note 7)	18	12
Long-Term Debt (Note 8)	253,912	277,803
	<u>754,584</u>	<u>660,957</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	266,294	373,650
Net Operating Results	(454,442)	(516,469)
Net Financing Provided from General Revenues	419,101	409,113
Net Assets at End of Year	<u>230,953</u>	<u>266,294</u>
	<u>\$ 985,537</u>	<u>\$ 927,251</u>

The accompanying notes and schedules are part of these financial statements.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Consolidated Statements of Cash Flows

Year ended March 31

(in thousands)

	2010	2009
	(Restated - Note 2d)	
<b>Operating Transactions</b>		
Net Operating Results	\$ (454,442)	\$ (516,469)
Non-cash items included in Net Operating Results		
Amortization of Tangible Capital Assets	23,001	22,867
Amortization of Deferred Financing Charges	153	167
Grants in Kind	7,078	19,200
Capital Contributions in Kind	(9,457)	(4,499)
Gain on Disposal of Tangible Capital Assets	(7,337)	(10,252)
Valuation Adjustments	135	1,757
	<u>(440,869)</u>	<u>(487,229)</u>
Changes in Working Capital		
(Increase) Decrease in Accounts Receivable Before Valuation Adjustments	(54,112)	18,532
(Decrease) in Accounts Payable Before Valuation Adjustments	(2,661)	(6,345)
Increase in Accrued Liabilities	120,127	144,499
(Decrease) in Accrued Interest Payable	(92)	(86)
Cash Applied to Operating Transactions	<u>(377,607)</u>	<u>(330,629)</u>
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(3,844)	(1,505)
Proceeds on Disposal of Tangible Capital Assets	2,743	104
Cash Applied to Capital Transactions	<u>(1,101)</u>	<u>(1,401)</u>
<b>Investing Transactions</b>		
Repayment of Loans and Advances	1,837	1,556
Cash Provided by Investing Transactions	<u>1,837</u>	<u>1,556</u>
<b>Financing Transactions</b>		
Repayment of Long-Term Debt	(23,891)	(22,486)
Net Financing Provided from General Revenues	419,101	409,113
Cash Provided by Financing Transactions	<u>395,210</u>	<u>386,627</u>
Increase (Decrease) in Cash	18,339	56,153
Cash, Beginning of Year	<u>237,328</u>	<u>181,175</u>
Cash, End of Year	<u>\$ 255,667</u>	<u>\$ 237,328</u>

The accompanying notes and schedules are part of these financial statements.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

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### Note 1 Authority and Purpose

The Ministry of Housing and Urban Affairs operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000. The Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also disclosed in Note 2(a).

The Ministry works in partnership with Alberta's municipalities, other provincial government departments, federal partners, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective, accountable and well-managed local governments.

This is done by:

- Delivering programs to assist lower-income Albertans in meeting their housing needs.
- Promoting strong and vibrant communities.
- Developing affordable housing units.
- Implementing a 10-year plan to address homelessness.
- Helping Albertans stay in their homes.
- Making additional public land available for affordable housing purposes.

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared primarily in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the ministries.

#### (a) Reporting Entity

The reporting entity is the Ministry of Housing and Urban Affairs, for which the Minister of Housing and Urban Affairs is accountable. Other entities reporting to the Minister are the Department of Housing and Urban Affairs and the Alberta Social Housing Corporation (the Corporation). The activities of these organizations are included in these consolidated financial statements.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (a) Reporting Entity (Cont'd)

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing from General Revenues is the difference between all cash receipts and all cash disbursements made.

#### (b) Basis of Consolidation

The accounts of the Department of Housing and Urban Affairs and the Corporation have been consolidated. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

#### (c) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Rural and Native mortgage interest is not accrued when payments are greater than sixty days in arrears.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

##### Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities or unearned revenue.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (c) Basis of Financial Reporting (Cont'd)

##### Expenses

###### Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries and supplies etc., directly incurred expenses also include:

- Amortization of tangible capital assets.
- Debt servicing costs.
- Pension costs, which are the cost of employer contributions during the year.
- Valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

###### *Grant Expense*

Grants are recognized as expenses when approved, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Grants are provided under requests for proposals for Affordable Housing and Housing for the Homeless programs.

Grants under Rent Supplement programs are provided to selected housing providers to administer the programs.

Emergency/Transitional Support grants are provided to community-based organizations for projects relating to emergency shelter or transitional/supported housing projects.

The Outreach Support Services grants are provided to community-based organizations for initiatives towards the 10-year plan to end homelessness.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

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### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (c) Basis of Financial Reporting (Cont'd)

##### Expenses (Cont'd)

###### *Grants (Cont'd)*

Grants under Support to Housing Providers are provided to housing providers to administer housing programs.

###### Incurred by Others

Services contributed by other government entities in support of the Ministry operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

##### Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Ministry are limited to cash and financial claims, such as advances to and receivables from other organizations and individuals.

Loans and advances include mortgages that are reported at cost less provisions for losses, and agreements receivable. Cost of mortgages includes amounts advanced, accrued interest, and other charges, less repayments and subsidies.

Deferred financing charges on debt financing are amortized over the life of the debt on a straight-line basis.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. All land, excluding land acquired by right, is capitalized. The threshold for all other tangible capital assets is \$5,000.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (c) Basis of Financial Reporting (Cont'd)

##### Assets (Cont'd)

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. Eligible costs for capitalization include:

- external direct costs of materials and services such as consultant fees (except those relating to business process reengineering),
- costs to acquire software and any custom development,
- salary and related benefits of employees assigned full-time to the project that are directly associated with the application development stage, and
- costs of upgrades that improve the functionality of the system.

Capitalization begins when the preliminary project stage is completed and management authorizes and commits to the project.

The threshold for all other tangible capital assets is \$5,000. All land, excluding land acquired by right is capitalized.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets less any nominal proceeds or expenses incurred in the sale or disposal process are recorded as grants in kind.

##### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

##### Net Assets

Net assets represent the difference between the carrying values of assets held by the Ministry and its liabilities.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

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### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (c) Basis of Financial Reporting (Cont'd)

##### Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, and accrued interest payable are estimated to approximate their carrying values because of the short term nature of these instruments. Fair values of loans and advances are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timelines or cost to estimate the fair value with sufficient reliability.

##### Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Estimates relating to the determination of the Government of Canada accounts receivable of \$60,702 (2009 - \$9,009) as disclosed in these consolidated financial statements are subject to measurement uncertainty.

Estimates relating to the determination of the housing providers accounts receivable of \$27,066 (2009 - \$25,573) as disclosed in these statements are subject to measurement uncertainty.

Insurance recoveries receivable from third party insurers and accounts payable for the repairs of insured property are subject to measurement uncertainty of \$2,140 (2009 - \$2,000). The uncertainty results from negotiation variations between third party insurers and the Alberta Risk Management Fund regarding claims for the Corporation's property.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

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### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (d) Change in Accounting Policy

(in thousands)

##### Change in Treatment of Housing Providers' Surpluses and Deficits

In prior years, the net operating results of all housing providers were reported as a single sum by program, combining surpluses with deficits.

To improve financial statement transparency, the accounting policy has been changed to reflect that a housing provider's surplus is not related to another housing provider's deficit falling under the same program. Housing provider's deficits are reported as Support to Housing Providers grant expense. Housing provider's surpluses are reported as Other Revenue.

The effect of this change results in an increase of \$5,705 to Other Revenue and an increase of \$5,705 to Support to Housing Providers to reflect the separation of housing provider surpluses and deficits in 2008-09. The 2008-09 financial statements have been restated to reflect this change in treatment. There is no impact to the 2008-09 statement of financial position.

##### Change in Insurance Estimates

The property of the Corporation is insured by Alberta Finance and Enterprise's Risk Management Insurance (RMI).

In prior years, estimated insurance recoveries from third party insurers were recorded as reductions to the insurance recoveries receivable.

Due to the uncertainty of the estimated amount of recoveries from third party insurers, insurance claims are recorded at full recovery receivables due RMI until, if applicable, recoveries from third party insurers can be reasonably confirmed. At time of confirmation, this portion of the recovery is reclassified as receivables due from third party insurers.

The effects of this change in accounting policy results in an increase of \$2,000 to accounts receivable and an increase of \$2,000 to accounts payable to reflect the full recovery amounts of insurance claims in 2008-09. The 2008-09 financial statements have been restated to reflect this change in insurance estimates. There is no impact to the 2008-09 statement of operations.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 3 Cash

Cash and cash equivalents consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2010, securities held in the CCITF have an average time-weighted market yield of 1.0% per annum (2009 – 3.0% per annum).

### Note 4 Accounts Receivable

(in thousands)

	2010			2009		
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value		Net Realizable Value	
Government of Canada <sup>(a)</sup>	\$ 60,702	\$ -	\$ 60,702	\$ 9,009		
Housing Providers <sup>(b)</sup>	27,066	-	27,066	25,573		
Other <sup>(c)</sup>	13,215	1,410	11,805	10,879		
	<u>\$ 100,983</u>	<u>\$ 1,410</u>	<u>\$ 99,573</u>	<u>\$ 45,461</u>		

(a) Government of Canada and Corporation accounts receivable are unsecured and non-interest bearing.

(b) Management Agencies and Bodies surplus.

Restricted Operating Reserves of \$16,355 have been outstanding since 2005-06. Cash balances of each housing provider are monitored annually. See note 15.

(c) Other accounts receivable includes interest due from social housing providers as per a writ of enforcement for recovery of grants advanced in prior years.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 5      Loans and Advances

(in thousands)

	2010					2009	
	Accrual	Non-Accrual <sup>(c)</sup>	Allowance for Losses	Net Realizable Value		Net Realizable Value	
Rural and Native <sup>(a)</sup>	\$ 3,049	\$ 89	\$ 1	\$ 3,137		\$ 4,161	
Agreements receivable <sup>(b)</sup>	-	-	-	-		790	
Other loans and receivables	24	-	-	24		47	
	<u>\$ 3,073</u>	<u>\$ 89</u>	<u>\$ 1</u>	<u>\$ 3,161</u>		<u>\$ 4,998</u>	

- a) These mortgages are provided under the Rural and Native Housing program, with payments based on an amortization period of 25 years and five-year interest renewal terms.
- b) Agreements receivable represent amounts receivable for land sales.
- c) Rural and Native mortgage interest is not accrued when payments are greater than sixty days in arrears

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 6 Tangible Capital Assets

(in thousands)

	2010				2009
	Land	Buildings	Equipment	Computer hardware and software	Total
Estimated useful life	Indefinite	10-50 years <sup>(a)</sup>	10 years	3 years	Total
<b>Historical Cost</b>					
Beginning of year	\$ 116,267	\$ 1,087,034	\$ 4	\$ 728	\$ 1,204,033
Additions <sup>(b)(c)</sup>	3,847	9,443	10	-	13,300
Disposals, including write-downs	(175)	(5,428)	-	(27)	(5,630)
	<u>\$ 119,939</u>	<u>\$ 1,091,049</u>	<u>\$ 14</u>	<u>\$ 701</u>	<u>\$ 1,211,703</u>
					<u>\$ 1,204,033</u>
<b>Accumulated Amortization</b>					
Beginning of year	\$ -	\$ 564,787	\$ -	\$ 450	\$ 565,237
Amortization expense	-	22,922	1	78	23,001
Effect of disposals	-	(3,129)	-	(27)	(3,156)
	<u>\$ -</u>	<u>\$ 584,580</u>	<u>\$ 1</u>	<u>\$ 501</u>	<u>\$ 585,082</u>
					<u>\$ 565,237</u>
Net book value at March 31, 2010	<u>\$ 119,939</u>	<u>\$ 506,469</u>	<u>\$ 13</u>	<u>\$ 200</u>	<u>\$ 626,621</u>
Net book value at March 31, 2009	<u>\$ 116,267</u>	<u>\$ 522,247</u>	<u>\$ 4</u>	<u>\$ 278</u>	<u>\$ 638,796</u>

- a) Seniors and special needs buildings are amortized over 50 years, community housing buildings over 40 to 50 years, and all other buildings over 10 to 25 years.
- b) Additions include \$9,457 in donated land and buildings.
- c) Parsons Creek land development costs have been capitalized. Corporation capital expenditures have been incurred in preparation and development of Parsons Creek as part of a multi-year plan for future residential development for the initial phase. Later phases may also include industrial and commercial land development costs.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 6 Tangible Capital Assets (Cont'd)

(in thousands)

	<u>2010</u>	<u>2009</u>
Land Development Costs	\$ 3,833	\$ 1,224
Donations	<u>14</u>	<u>124</u>
	<u><u>\$ 3,847</u></u>	<u><u>\$ 1,348</u></u>

Land development costs of \$3,833 were incurred on 989 Hectares of crown land. Crown land is valued at \$0.

### Note 7 Guarantees and Indemnities

(in thousands)

The Ministry has outstanding guarantees that were issued by the Corporation on the sale of certain of its mortgages whereby the Corporation will reimburse mortgagees for any losses that may occur on default by mortgagors. Any claims for losses by the mortgagees will be reduced by the amounts realized from the sale of the underlying properties.

Guaranteed amounts, the last of which was guaranteed on March 30, 1994, are as follows:

	<u>2010</u>	<u>2009</u>
Mortgages, on multi-unit rental properties and land, guaranteed to 2011	<u><u>\$ 10,454</u></u>	<u><u>\$ 12,434</u></u>

Under the former mobile home loan insurance program, the Ministry through the Alberta Social Housing Corporation has agreed to indemnify losses on mobile home loans issued by financial institutions. The outstanding loans as at March 31, 2010 amount to \$148 (2009 - \$250). This program was terminated effective October 1, 1993. However, the Ministry through the Alberta Social Housing Corporation has an ongoing commitment on the insurance policies remaining in force.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 7      Guarantees and Indemnities (Cont'd)

(in thousands)

An allowance for losses has been made on these guarantees and indemnities in the amount of \$18 (2009 - \$12).

### Note 8      Long Term Debt

(in thousands)

The Ministry's long-term debt and exposure to interest rate risk is summarized as follows:

	<u>2010</u>	<u>2009</u>
Canada Mortgage and Housing Corporation <sup>(a)</sup>	\$ 72,763	\$ 74,400
Alberta Finance and Enterprise <sup>(b)</sup>	181,149	203,403
	<u>\$ 253,912</u>	<u>\$ 277,803</u>

- a) Debentures maturing January 2023 to January 2030, with a weighted average effective rate of 9.645%.
- b) Notes payable maturing September 16, 2016, with an effective rate of 5.93%.

The Province of Alberta guarantees the repayment of principal and interest on all borrowings. The debentures, including interest thereon, are repayable in equal annual or semi-annual installments and the note payable is repayable in equal semi-annual installments.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

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### Note 8 Long Term Debt (Cont'd)

(in thousands)

Approximate aggregate repayments of principal in each of the next five years are:

2011	\$ 25,384
2012	26,973
2013	28,664
2014	30,463
2015	32,377
Thereafter	<u>110,051</u>
	<u><u>\$ 253,912</u></u>

Long-term debt has a fair value of \$101,148 (2009 - \$106,278) for Canada Mortgage and Housing Corporation debentures and \$198,380 (2009 - \$226,228) for the note payable to Alberta Finance and Enterprise. Fair values for debt are based on the Province of Alberta's current borrowing rates, which are available to the Corporation for debt with similar terms and maturities.

### Note 9 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met. Grants for housing providers approved for future years have been included as an obligation.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 9 Contractual Obligations (Cont'd)

(in thousands)

	2010	2009
<b>Obligations under contracts and programs</b>		
Service contracts	\$ 2,778	\$ 49
Long-term leases	38,644	39,988
Obligations under agreements	336,114	398,465
	<b><u>\$ 377,536</u></b>	<b><u>\$ 438,502</u></b>

The Ministry leases land under various leases for the purpose of providing social housing.

Estimated payment requirements for each of the next five years and thereafter are as follows:

#### Obligations Under Contracts and Programs

	Service contracts	Long-term leases	Agreements	Total
2010-11	\$ 2,147	\$ 1,347	\$ 102,722	\$ 106,216
2011-12	631	1,347	17,710	19,688
2012-13	-	1,347	17,647	18,994
2013-14	-	1,348	17,647	18,995
2014-15	-	1,349	17,647	18,996
Thereafter	-	31,906	162,741	194,647
	<b><u>\$ 2,778</u></b>	<b><u>\$ 38,644</u></b>	<b><u>\$ 336,114</u></b>	<b><u>\$ 377,536</u></b>

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 10 Contingent Liabilities

(in thousands)

At March 31, 2010, the Ministry is a defendant in six legal claims (2009 - seven claims). These claims have specified amounts totaling \$9,179 (2009 - \$12,921). The Ministry has been jointly named with other entities in 5 legal claims amounting to \$8,754 (2009 - six claims amounting to \$12,496). The Alberta Risk Management Fund covers three claims amounting to \$1,091 (2009 - three claims amounting to \$1,091).

The resulting loss, if any, from these claims cannot be determined.

### Note 11 Trust Funds Under Administration

(in thousands)

As at March 31, 2010, the following trust funds under administration had balances as follows:

	<u>2010</u>	<u>2009</u>
Provincial Territorial Secretariat Trust	\$ 58	\$ -
Gunn Centre Resident Trust Fund	7	7
	<hr/> <u>\$ 65</u>	<hr/> <u>\$ 7</u>

The Department of Housing and Urban Affairs served as Chair of the Provincial Territorial Secretariat in 2009-10. The Department was responsible for managing collection of funds from other provinces as dues, and disbursements relating to the Department's position as Chair. These funds are held in a separate Trust Account and are not an asset of the Government of Alberta.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 12 Program Recoveries

Cost-sharing agreements provide for a contribution by Canada Mortgage and Housing Corporation (CMHC) towards subsidies of rental properties and mortgages receivable and for certain capital costs, administration expenses and net operating results, of approved community housing projects that are recorded by the Corporation. Contributions are also provided by CMHC to the Corporation for net operating results of approved seniors housing projects that are recorded by the Corporation. The Department receives recoveries from CMHC for eligible expenditures under the Federal Economic Stimulus Plan for retrofit and regeneration of social housing.

### Note 13 Housing Providers

(in thousands)

The Ministry supports the provision of seniors and community housing through housing providers. Grants are provided to cover operating deficits of specific programs. Housing providers that incur expenses in excess of revenues are provided grants. Recoveries are received from housing providers that generate revenues in excess of expenses. Costs for property insurance, amortization and interest on long-term debt are incurred and recorded by the Ministry; housing providers do not incur or record these expenses.

Information on the operating and maintenance grants to housing providers is as follows:

	2010	2009 (Restated - Note 2d)
Operating Grants to Housing Providers	\$ 45,565	\$ 44,887
Maintenance Grants to Housing Providers	2,500	10,262
Provincial/Federal Retrofit and/or Regeneration of Social Housing	45,328	-
	<u>\$ 93,393</u>	<u>\$ 55,149</u>

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Notes to the Consolidated Financial Statements

Year Ended March 31

### Note 14 Benefit Plans

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan, and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of \$1,329 for the year ended March 31, 2010 (2009 - \$951).

At December 31, 2009, the Management Employees Pension Plan reported a deficiency of \$483,199 (2008 – deficiency \$568,574) and the Public Service Pension Plan reported a deficiency of \$1,729,196 (2008 – deficiency \$1,187,538). At December 31, 2009, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,516 (2008 – deficiency \$7,111).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2010, the Bargaining Unit Plan reported an actuarial deficiency of \$8,335 (2009 – deficiency \$33,540) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,431 (2009 – deficiency \$1,051). The expense for these two plans is limited to the employer's annual contributions for the year.

### Note 15 Subsequent Events

(in thousands)

On May 12, 2010, a decision was made to collect the majority of the housing providers Restricted Operating Reserves, estimated at \$10,000 of \$16,355. The remaining funds will be provided as accountable advances to housing providers.

### Note 16 Comparative Figures

Certain 2009 figures have been reclassified to conform to the 2010 presentation.

### Note 17 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister of the Ministry of Housing and Urban Affairs.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Schedule 1 - Revenues

Year ended March 31

(in thousands)

	2010		2009
	Budget (Schedule 3)	Actual	Actual (Restated - Note 2d)
<b>Transfers from the Government of Canada</b>			
Recoveries from Canada Mortgage and Housing Corporation	\$ 80,000	\$ 97,639	\$ 81,002
Affordable Housing	-	40,571	10,176
Off-Reserve Aboriginal Housing	-	-	16,142
Recoveries from Indian and Northern Affairs Canada	100	439	102
	<u>80,100</u>	<u>138,649</u>	<u>107,422</u>
<b>Investment Income</b>			
Bank and other Mortgages	6,000	2,254	5,928
	<u>35</u>	<u>27</u>	<u>14</u>
	<u>6,035</u>	<u>2,281</u>	<u>5,942</u>
<b>Other Revenue</b>			
Miscellaneous	100	104	73
Contributions in Kind	-	9,457	4,499
Recoveries from Management Organizations	-	6,586	7,064
Rental Revenue	125	145	227
Refunds of Expenditure	-	1,032	87
	<u>225</u>	<u>17,324</u>	<u>11,950</u>
<b>Total Revenues</b>	<b>\$ 86,360</b>	<b>\$ 158,254</b>	<b>\$ 125,314</b>

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Schedule 2 - Expenses - Directly Incurred Detailed by Object

Year ended March 31

(in thousands)

	2010		2009
	Budget (Schedule 3)	Actual	Actual (Restated - Note 2d)
<b>Voted</b>			
Salaries and Wages	\$ 16,910	\$ 14,431	\$ 12,024
Supplies and Services	3,971	3,043	2,474
Grants	445,610	456,871	515,421
Financial Transactions and Other	108	109	114
Amortization of Tangible Capital Assets	-	79	-
	<b>\$ 466,599</b>	<b>\$ 474,533</b>	<b>\$ 530,033</b>
<b>Statutory</b>			
Supplies and Services	\$ 2,401	\$ 3,436	\$ 2,370
Grants	61,101	100,039	74,614
Debt Servicing Costs	18,970	18,968	20,394
Amortization of Tangible Capital Assets	23,818	22,922	22,867
	<b>106,290</b>	<b>145,365</b>	<b>120,245</b>
<b>Valuation Adjustments</b>			
Provision for Doubtful Accounts	-	-	1,385
Provision for Loss on Guarantees, Indemnities and Mortgages	85	4	6
Provision for Vacation Pay	-	131	366
	<b>\$ 106,375</b>	<b>\$ 145,500</b>	<b>\$ 122,002</b>
<b>Total Expenses</b>	<b>\$ 572,974</b>	<b>\$ 620,033</b>	<b>\$ 652,035</b>

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Schedule 3 - Budget

Year ended March 31

(in thousands)

	2009-10 Estimates	Adjust- ments (a)	2009-10 Budget	Authorized Supplemen- tary <sup>(b)</sup>	2009-10 Authorized Budget
<b>Revenues</b>					
Transfers from Government of Canada	\$ 80,100	\$ -	\$ 80,100	\$ 58,090	\$ 138,190
Premiums, Fees and Licenses	-	-	-	-	-
Investment Income	6,035	-	6,035	-	6,035
Other Revenue	225	6,000	6,225	-	6,225
	<u>86,360</u>	<u>6,000</u>	<u>92,360</u>	<u>58,090</u>	<u>150,450</u>
<b>Expenses - Directly Incurred</b>					
<b>Voted Expenses</b>					
Ministry Support Services	6,375	-	6,375	(400)	5,975
Housing Development & Operations	278,421	353	278,774	10,162	288,936
Homeless Support & Land Development	179,522	-	179,522	(490)	179,032
Policy and Urban Affairs	2,281	-	2,281	(50)	2,231
	<u>466,599</u>	<u>353</u>	<u>466,952</u>	<u>9,222</u>	<u>476,174</u>
<b>Statutory Expenses</b>					
Alberta Social Housing Corporation	87,320	6,000	93,320	45,380	138,700
Debt Servicing Costs	18,970	-	18,970	-	18,970
Valuation Adjustments					
Provision for Losses on Guarantees, Indemnities and Mortgages	85	-	85	-	85
	<u>106,375</u>	<u>6,000</u>	<u>112,375</u>	<u>45,380</u>	<u>157,755</u>
	<u>572,974</u>	<u>6,353</u>	<u>579,327</u>	<u>54,602</u>	<u>633,929</u>
Gain on Disposal of Tangible Capital Assets	<u>14,410</u>	<u>-</u>	<u>14,410</u>	<u>-</u>	<u>14,410</u>
<b>Net Operating Results</b>	<b>\$ (472,204)</b>	<b>\$ (353)</b>	<b>\$ (472,557)</b>	<b>\$ 3,488</b>	<b>\$ (469,069)</b>
<b>Capital Investments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,030</b>	<b>\$ 19,030</b>

(a) Adjustments include in-year transfers between other ministries.

Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

(b) Supplementary Estimates for expenses were approved March 1, 2010.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Schedule 4 - Related Party Transactions

Year ended March 31

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	<b>Other Entities</b>	
	<b>2010</b>	<b>2009</b> (Restated Note 2d)
<b>Expenses - Directly Incurred</b>		
Business and Technology Services	\$ 99	\$ 10
Debt Servicing Costs	11,835	13,116
Insurance	1,449	1,119
	<b>\$ 13,383</b>	<b>\$ 14,245</b>
<b>Deferred Financing Charges</b>		
Alberta Finance and Enterprise	\$ 515	\$ 668
<b>Receivables from:</b>		
Department of Transportation	\$ 1,206	\$ -
Risk Management and Insurance	9,439	7,948
	<b>\$ 10,645</b>	<b>\$ 7,948</b>
<b>Payables to:</b>		
Alberta Finance and Enterprise <sup>(1)</sup>	<b>\$ 181,590</b>	<b>\$ 203,898</b>

<sup>(1)</sup> Debt and accrued interest on debt.

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Schedule 4 - Related Party Transactions

Year ended March 31

(in thousands)

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The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

	<b>Other Entities</b>	
	<b>2010</b>	<b>2009</b>
<b>Expenses - Incurred by Others (Schedule 5)</b>		
Accomodation	\$ 4,079	\$ 1,522
Air Transportation/Executive Vehicle	24	20
Internal Audit	373	209
Business Services	10	1,055
Legal	219	155
	<b><u>\$ 4,705</u></b>	<b><u>\$ 2,961</u></b>

# MINISTRY OF HOUSING AND URBAN AFFAIRS

## Schedule 5 - Allocated Costs

Year ended March 31

(in thousands)

	2010						2009	
	Expenses - Incurred by Others <sup>(2)</sup>							
	Expenses <sup>(1)</sup>	Accommodation <sup>(3)</sup>	Business Services <sup>(4)</sup>	Legal/ Internal Audit <sup>(5)</sup>	Vacation Pay <sup>(6)</sup>	Losses/ Recoveries	Total	Total
Ministry Support Services	\$ 5,464	\$ 648	\$ 9	\$ 6	\$ (7)	\$ -	\$ 6,120	\$ 5,525
Housing Development and Operations	286,730	745	9	334	76	-	287,894	470,459
Homeless Support and Land Development	180,225	1,151	12	150	48	-	181,586	56,662
Policy and Urban Affairs	2,114	311	4	1	14	-	2,444	1,765
Alberta Social Housing Corporation	145,365	1,224	-	101	-	4	146,694	114,880
	<u>\$ 619,898</u>	<u>\$ 4,079</u>	<u>\$ 34</u>	<u>\$ 592</u>	<u>\$ 131</u>	<u>\$ 4</u>	<u>\$ 624,738</u>	<u>\$ 649,291</u>

(1) Expenses - Directly Incurred as per Statements of Operations, excluding valuation adjustments.

(2) Costs shown for Expenses - Incurred by Others are as disclosed in Schedule 4.

(3) Costs shown for Accommodation allocated by square footage.

(4) Business Services includes financial and administrative services, air transportation, and executive vehicle services, allocated by estimated costs incurred in each program.

(5) Costs for Legal and Internal Audit services on Schedule 4 are allocated by estimated costs incurred by each program.

(6) Valuation Adjustments as per Statements of Operations. Employee Benefits provision included in Valuation Adjustments were allocated as follows:

- Vacation pay - allocated to the program by employee.

## Department of Housing and Urban Affairs

### Financial Statements

March 31, 2010

#### **Auditor General's Report**

#### **Statements of Operations**

#### **Statements of Financial Position**

#### **Statements of Cash Flows**

#### **Notes to the Financial Statements**

#### **Schedules to the Financial Statements:**

- 1 Revenues**
- 2 Expenses - Directly Incurred Detailed by Object**
- 3 Budget**
- 4 Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget**
- 5 Salary and Benefits Disclosure**
- 6 Related Party Transactions**
- 7 Allocated Costs**

## Auditor General's Report



To the Minister of Housing and Urban Affairs

I have audited the statements of financial position of the Department of Housing and Urban Affairs as at March 31, 2010 and 2009 and statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**[Original signed by Merwan N. Saher]**

CA  
Auditor General

Edmonton, Alberta  
June 8, 2010

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Statements of Operations

Year ended March 31

(in thousands)

	2010		2009
	Budget (Schedule 3)	Actual	Actual
<b>Revenues (Schedule 1)</b>			
Transfers from the Government of Canada	\$ 15,100	\$ 74,369	\$ 41,222
Other Revenue	100	188	178
	<u>15,200</u>	<u>74,557</u>	<u>41,400</u>
<b>Expenses - Directly Incurred (Note 2b and Schedule 7)</b>			
<b>Voted (Schedules 3, 5 and 7)</b>			
Ministry Support Services	6,375	5,464	4,233
Housing Development and Operations	343,849	397,538	540,639
Homeless Support and Land Development	179,522	184,058	55,320
Policy and Urban Affairs	2,281	2,114	1,771
	<u>532,027</u>	<u>589,174</u>	<u>601,963</u>
<b>Statutory (Schedules 3 and 4)</b>			
<b>Valuation Adjustments</b>			
Provision for Doubtful Accounts	-	-	1,385
Provision for Vacation Pay	-	131	366
	<u>-</u>	<u>131</u>	<u>1,751</u>
	<u>532,027</u>	<u>589,305</u>	<u>603,714</u>
<b>Net Operating Results</b>	<b>\$ (516,827)</b>	<b>\$ (514,748)</b>	<b>\$ (562,314)</b>

The accompanying notes and schedules are part of these financial statements.

## DEPARTMENT OF HOUSING AND URBAN AFFAIRS

### Statements of Financial Position

Year ended March 31

(in thousands)

	2010	2009
<b>Assets</b>		
Accounts Receivable (Note 3)	\$ 60,757	\$ 26,807
Loans and Advances	8	7
Tangible Capital Assets (Note 4)	213	282
	<b><u>\$ 60,978</u></b>	<b><u>\$ 27,096</u></b>
<b>Liabilities</b>		
Accounts Payable	\$ 38,088	\$ 3,227
Accrued Liabilities	<u>448,209</u>	<u>353,541</u>
	<b><u>486,297</u></b>	<b><u>356,768</u></b>
<b>Net Liabilities</b>		
Net Liabilities at Beginning of Year	(329,672)	(176,471)
Net Operating Results	(514,748)	(562,314)
Net Financing Provided from General Revenues	<u>419,101</u>	<u>409,113</u>
Net Liabilities at End of Year	<b><u>(425,319)</u></b>	<b><u>(329,672)</u></b>
	<b><u>\$ 60,978</u></b>	<b><u>\$ 27,096</u></b>

The accompanying notes and schedules are part of these financial statements.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Statements of Cash Flows

Year ended March 31

(in thousands)

	2010	2009
<b>Operating Transactions</b>		
Net Operating Results	\$ (514,748)	\$ (562,314)
Non-cash items included in Net Operating Results		
Amortization of Tangible Capital Assets	79	-
Valuation Adjustments	131	1,751
	<u>(514,538)</u>	<u>(560,563)</u>
<b>Changes in Working Capital</b>		
(Acrease) Decrease in Accounts Receivable	(33,950)	15,501
Increase (Decrease) in Accounts Payable	34,861	(3,919)
Increase in Accrued Liabilities	94,536	139,547
	<u>(419,091)</u>	<u>(409,434)</u>
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(10)	(282)
Cash Applied to Capital Transactions	<u>(10)</u>	<u>(282)</u>
<b>Financing Transactions</b>		
Net Financing Provided from General Revenues	<u>419,101</u>	<u>409,113</u>
Cash Provided by Financing Transactions	<u>419,101</u>	<u>409,113</u>
<b>Increase (Decrease) in Cash</b>		<b>(603)</b>
<b>Cash, Beginning of Year</b>	<b>-</b>	<b>603</b>
<b>Cash, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes and schedules are part of these financial statements.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

---

### Note 1 Authority and Purpose

The Department of Housing and Urban Affairs operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department works in partnership with Alberta's municipalities, other provincial government departments, federal partners, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective, accountable and well-managed local governments.

This is done by:

- Delivering programs to assist lower-income Albertans in meeting their housing needs.
- Promoting strong and vibrant communities.
- Developing affordable housing units.
- Implementing a 10-year plan to address homelessness.
- Helping Albertans stay in their homes.
- Making additional public land available for affordable housing purposes.

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

#### (a) Reporting Entity

The reporting entity is the Department of Housing and Urban Affairs, which is part of the Ministry of Housing and Urban Affairs and for which the Minister of Housing and Urban Affairs is accountable. The other entity reporting to the Minister is the Alberta Social Housing Corporation (the Corporation). The activities of this organization are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

---

### Note 2      Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (a) Reporting Entity (Cont'd)

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

##### Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities or unearned revenue.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

---

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (b) Basis of Financial Reporting (Cont'd)

##### Expenses

###### Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies etc., directly incurred expenses also include:

- Amortization of tangible capital assets.
- Pension costs, which are the cost of employer contributions during the year.
- Valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

###### *Grant Expense*

Grants are recognized as expenses when approved, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Grants are provided under requests for proposals for Affordable Housing and Housing for the Homeless programs.

Grants under Rent Supplement programs are provided to selected housing providers to administer the programs.

Emergency/Transitional Support grants are provided to community-based organizations for projects relating to emergency shelter or transitional/supported housing projects.

The Outreach Support Services grants are provided to community-based organizations for initiatives towards the 10-year plan to end homelessness.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

---

### Note 2      Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (b) Basis of Financial Reporting (Cont'd)

##### Expenses (Cont'd)

###### Incurred by Others

Services contributed by other entities in support of the Department operations are not recognized and are disclosed in Schedule 5 and allocated to programs in Schedule 7.

##### Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Department are limited to financial claims, such as advances to, and receivables from, other organizations and individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. Eligible costs for capitalization include:

- external direct costs of materials and services such as consultant fees (except those relating to business process reengineering),
- costs to acquire software and any custom development,
- salary and related benefits of employees assigned full-time to the project that are directly associated with the application development stage, and
- costs of upgrades that improve the functionality of the system.

Capitalization begins when the preliminary project stage is completed and management authorizes and commits to the project.

The threshold for all other tangible capital assets is \$5,000.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

---

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (b) Basis of Financial Reporting (Cont'd)

##### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

##### Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Department and its liabilities.

##### Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable, accrued liabilities and holdbacks are estimated to approximate their carrying values because of the short-term nature of these instruments. Fair values of loans are not reported due to there being no organized financial market for the instruments. It is not practical within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

##### Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The estimate relating to the determination of the Government of Canada accounts receivable \$60,702 (2009 - \$9,000) is subject to measurement uncertainty.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

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### Note 3 Accounts Receivable

(in thousands)

	2010		2009	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	\$ 60,702	\$ -	\$ 60,702	\$ 9,000
Alberta Social Housing Corporation	-	-	-	17,056
Other	1,439	1,384	55	751
	<u>\$ 62,141</u>	<u>\$ 1,384</u>	<u>\$ 60,757</u>	<u>\$ 26,807</u>

Government of Canada and Corporation accounts receivable are unsecured and non-interest bearing.

Other accounts receivable includes amounts due plus interest due from social housing providers as per a writ of enforcement for recovery of grants advanced in prior years.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

### Note 4 Tangible Capital Assets

(in thousands)

	2010			2009		
	Equipment (1)	Computer hardware and software	Total		Total	
Estimated useful life	10 years	3 years				
<b>Historical Cost</b>						
Beginning of year	\$ 4	\$ 728	\$ 732	\$ 450		
Additions	10	-	10	282		
Disposals	-	(27)	(27)	-		
	\$ 14	\$ 701	\$ 715	\$ 732		
<b>Accumulated Amortization</b>						
Beginning of year	\$ -	\$ 450	\$ 450	\$ 450		
Amortization expense	1	78	79	-		
Effect of disposals	-	(27)	(27)	-		
	\$ 1	\$ 501	\$ 502	\$ 450		
Net book value at March 31, 2010	\$ 13	\$ 200	\$ 213			
Net book value at March 31, 2009	\$ 4	\$ 278		\$ 282		

1) Equipment includes office equipment, furniture and other equipment.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

### Note 5 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	<u>2010</u>	<u>2009</u>
Obligations under operating leases, contracts and programs	<u>\$ 324,018</u>	<u>\$ 398,465</u>

Estimated payment requirement for each of the next five years and thereafter are as follows:

	Programs	Contracts	Total
2010-11	\$ 88,966	\$ 1,349	\$ 90,315
2011-12	17,710	311	18,021
2012-13	17,647	-	17,647
2013-14	17,647	-	17,647
2014-15	17,647	-	17,647
Thereafter	<u>162,741</u>	<u>-</u>	<u>162,741</u>
	<u><u>\$ 322,358</u></u>	<u><u>\$ 1,660</u></u>	<u><u>\$ 324,018</u></u>

### Note 6 Contingent Liabilities

(in thousands)

At March 31, 2010, the Department is a defendant in one legal claim (2009 - two claims). This claim has a specified amount totaling \$8,100 (2009 - \$11,100). The Department has been jointly named with other entities in one legal claim amounting to \$8,100 (2009 - two claims, \$11,100). This claim totaling \$8,100 (2009 - two claims, \$11,100) is not covered by the Alberta Risk Management Fund.

The resulting loss, if any, from this claim cannot be determined.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Notes to the Financial Statements

Year Ended March 31

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### Note 7 Trust Funds Under Administration

(in thousands)

At March 31, 2010 trust funds under administration were as follows:

	<b>2010</b>	<b>2009</b>
Provincial Territorial Secretariat Trust	\$ 58	\$ -
Gunn Centre Resident Trust Fund	7	7
	<b><u>\$ 65</u></b>	<b><u>\$ 7</u></b>

The Department of Housing and Urban Affairs served as Chair of the Provincial Territorial Secretariat in 2009-10. The Department was responsible for managing collection of funds from other provinces as dues and disbursements relating to the Department's position as Chair. These funds are held in a separate Trust Account and are not an asset of the Government of Alberta.

### Note 8 Program Recoveries

The Department receives recoveries from CMHC for eligible expenditures under the Federal Economic Stimulus Plan for retrofit and regeneration of social housing.

### Note 9 Benefit Plans

(in thousands)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$1,329 for the year ended March 31, 2010 (2009 – \$951).

At December 31, 2009, the Management Employees Pension Plan reported a deficiency of \$483,199 (2008 – deficiency \$568,574) and the Public Service Pension Plan reported a deficiency of \$1,729,196 (2008 – deficiency of \$1,187,538).

# **DEPARTMENT OF HOUSING AND URBAN AFFAIRS**

## **Notes to the Financial Statements**

**Year Ended March 31**

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### **Note 9      Benefit Plans (Cont'd)**

(in thousands)

At December 31, 2009, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,516 (2008 – deficiency of \$7,111).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2010, the Bargaining Unit Plan reported an actuarial deficiency of \$8,335 (2009 – deficiency of \$33,540) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,431 (2009 – deficiency of \$1,051). The expense for these two plans is limited to the employer's annual contributions for the year.

### **Note 10      Comparative Figures**

Certain 2009 figures have been reclassified to conform to the 2010 presentation.

### **Note 11      Approval of Financial Statements**

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Schedule 1 - Revenues

Year ended March 31

(in thousands)

	2010		2009	
	Budget (Schedule 3)	Actual		Actual
<b>Transfers from Government of Canada</b>				
<b>Recoveries from Canada Mortgage and Housing Corporation</b>				
Rent Supplement & Special Needs Housing	\$ 15,000	\$ 15,840	\$ 14,802	
Affordable Housing	-	58,090	10,176	
Off-Reserve Aboriginal Housing	-	-	16,142	
	<hr/> 15,000	<hr/> 73,930	<hr/> 41,120	
<b>Recoveries from Indian and Northern Affairs Canada</b>				
	100	439	102	
	<hr/> 15,100	<hr/> 74,369	<hr/> 41,222	
<b>Other Revenue</b>				
Refunds of Expenditure	-	96	21	
Rental Revenue	-	-	94	
Miscellaneous	100	92	63	
	<hr/> 100	<hr/> 188	<hr/> 178	
	<hr/> <hr/> \$ 15,200	<hr/> <hr/> \$ 74,557	<hr/> <hr/> \$ 41,400	

## DEPARTMENT OF HOUSING AND URBAN AFFAIRS

### Schedule 2 - Expenses - Directly Incurred Detailed by Object

Year ended March 31

(in thousands)

	2010		2009	
	Budget (Schedule 3)	Actual	Actual	Actual
<b>Voted</b>				
Salaries and Wages	\$ 16,910	\$ 14,430	\$ 12,024	
Supplies and Services	3,971	3,043	2,474	
Grants	511,038	571,513	587,351	
Financial Transactions and Other	108	109	114	
Amortization of Tangible Capital Assets	-	79	-	
	<b>\$ 532,027</b>	<b>\$ 589,174</b>	<b>\$ 601,963</b>	
<b>Statutory</b>				
Valuation Adjustments				
Provision for Doubtful Accounts	\$ -	\$ -	\$ 1,385	
Provision for Vacation Pay	-	131	366	
	<b>\$ -</b>	<b>\$ 131</b>	<b>\$ 1,751</b>	

## DEPARTMENT OF HOUSING AND URBAN AFFAIRS

### Schedule 3 - Budget

Year ended March 31

(in thousands)

	2009-10 Estimates	Adjust- ments <sup>(a)</sup>	2009-10 Budget	Authorized Supplemen- tary <sup>(b)</sup>	2009-10 Authorized Budget
<b>Revenues</b>					
Transfers from Government of Canada	\$ 15,100	\$ -	\$ 15,100	\$ 58,090	\$ 73,190
Premiums, Fees and Licenses	-	-	-	-	-
Other Revenue	100	-	100	-	100
	<u>15,200</u>	<u>-</u>	<u>15,200</u>	<u>58,090</u>	<u>73,290</u>
<b>Expenses - Directly Incurred</b>					
<b>Voted Expenses</b>					
Ministry Support Services	6,375	-	6,375	(400)	5,975
Housing Development and Operations	343,849	353	344,202	55,542	399,744
Homeless Support and Land Development	179,522	-	179,522	18,540	198,062
Policy and Urban Affairs	2,281	-	2,281	(50)	2,231
	<u>532,027</u>	<u>353</u>	<u>532,380</u>	<u>73,632</u>	<u>606,012</u>
<b>Net Operating Results</b>	<b>\$ (516,827)</b>	<b>\$ (353)</b>	<b>\$ (517,180)</b>	<b>\$ (15,542)</b>	<b>\$ (532,722)</b>

(a) Adjustments include in-year transfers between other ministries.

Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

(b) Supplementary Estimates for expenses were approved March 1, 2010.

## DEPARTMENT OF HOUSING AND URBAN AFFAIRS

### Schedule 4 - Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

Year ended March 31

(in thousands)

	2009-10 Estimates	Adjust- ments (a)	2009-10 Budget	Authorized Supplemen- tary (b)	2009-10 Authorized Budget	2009-10 Actual	Under Expended (Over Expended)
<b>Voted Expense, EIP, and Capital Investments</b>							
<b>1 Ministry Support Services</b>							
1.0.1 Minister's Office	\$ 585	\$ -	\$ 585	\$ (10)	\$ 575	\$ 525	\$ 50
1.0.2 Deputy Minister's Office	742	-	742	(44)	698	658	40
1.0.3 Support Services							
- Expense	5,048	-	5,048	(346)	4,702	4,281	421
- EIP	-	-	-	-	-	10	(10)
	6,375	-	6,375	(400)	5,975	5,474	501
<b>2 Housing Development and Operations</b>							
<b>2.1 Divisional Support</b>							
2.1.1 Divisional Support	669	-	669	(76)	593	476	117
<b>2.2 Housing Development</b>							
2.2.1 Housing Development Program Delivery	1,284	-	1,284	(43)	1,241	1,078	163
<b>2.3 Housing Development Grants</b>							
2.3.1 Affordable Housing Program	177,600	-	177,600	12,710	190,310	190,310	-
<b>2.4 Housing Operations</b>							
2.4.1 Housing Operations Program Delivery	3,358	-	3,358	(241)	3,117	2,807	310
<b>2.5 Housing Grants</b>							
2.5.1 Rent Supplement	56,000	-	56,000	(2,188)	53,812	75,141	(21,329)
2.5.2 Homeless and Eviction Prevention Fund	34,000	-	34,000	-	34,000	10,435	23,565
2.5.3 Special Needs	5,100	-	5,100	-	5,100	5,800	(700)
2.5.4 Other Grants	410	353	763	-	763	683	80
2.5.5 Assistance to the Alberta Social Housing Corporation - Debt Repayment	23,891	-	23,891	-	23,891	23,891	-
2.5.6 Assistance to the Alberta Social Housing Corporation - Housing Providers	41,537	-	41,537	45,380	86,917	86,917	-
	343,849	353	344,202	55,542	399,744	397,538	2,206

## DEPARTMENT OF HOUSING AND URBAN AFFAIRS

### Schedule 4 - Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

Year ended March 31

(in thousands)

	2009-10 Estimates	Adjust- ments (a)	2009-10 Budget	Authorized Supplemen- tary (b)	2009-10 Authorized Budget	2009-10 Actual	Under Expended (Over Expended)
<b>Voted Expense, EIP, and Capital Investments (Cont'd)</b>							
<b>3 Homeless Support and Land Development</b>							
<b>3.1 Divisional Support</b>							
3.1.1 Divisional Support	677	-	677	(38)	639	481	158
<b>3.2 Homeless Support</b>							
3.2.1 Homeless Support Program Delivery	4,695	-	4,695	(222)	4,473	4,139	334
3.2.2 Alberta Secretariat for Action on Homelessness	700	-	700	(50)	650	643	7
<b>3.3 Homeless Support Grants</b>							
3.3.1 Emergency Transitional Support	40,500	-	40,500	-	40,500	42,349	(1,849)
3.3.2 Outreach Support Services	32,000	-	32,000	-	32,000	32,007	(7)
3.3.3 Homeless Prevention Initiative	100,000	-	100,000	-	100,000	100,000	-
<b>3.4 Land Development</b>							
3.4.1 Land Development Program Delivery	950	-	950	(180)	770	606	164
3.4.2 Assistance to Alberta Social Housing Corporation - Land Development	-	-	-	19,030	19,030	3,833	15,197
	179,522	-	179,522	18,540	198,062	184,058	14,004
<b>4 Policy and Urban Affairs</b>							
<b>4.0.1 Policy and Urban Affairs</b>	2,281	-	2,281	(50)	2,231	2,114	117
	\$ 532,027	\$ 353	\$ 532,380	\$ 73,632	\$ 606,012	\$ 589,184	\$ 16,828
 Expense							
Equipment/Inventory Purchases	\$ 532,027	\$ 353	\$ 532,380	\$ 73,632	\$ 606,012	\$ 589,174	\$ 16,838
	-	-	-	-	-	10	(10)
	\$ 532,027	\$ 353	\$ 532,380	\$ 73,632	\$ 606,012	\$ 589,184	\$ 16,828
 Statutory Expenses							
 Valuation Adjustments							
Vacation Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131	\$ (131)

(a) Adjustments include in-year transfers between other Ministries.

(b) Supplementary Estimates were approved on March 1, 2010, Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

## DEPARTMENT OF HOUSING AND URBAN AFFAIRS

### Schedule 5 - Salary and Benefits Disclosure

Year ended March 31

	2010				2009	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total	
<b>Deputy Minister <sup>(4)</sup></b>	\$ 264,069	\$ -	\$ 61,027	\$ 325,096	\$ 356,094	
<b>Assistant Deputy Ministers</b>						
Housing Development and Operations <sup>(5)</sup>	160,839	-	37,073	197,912	67,372	
Homeless Support and Land Development	185,117	-	43,646	228,763	251,774	
<b>Executive Directors</b>						
Strategic Corporate Services <sup>(6)</sup>	142,608	-	33,243	175,851	282,613	
Policy and Urban Affairs	130,478	-	31,721	162,199	169,891	

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payouts include overtime and/or lump sum payments if relevant for the particular circumstance. There were no bonuses paid in 2010.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) This position was established in December of 2008.

(6) Position was occupied by two individuals in 2009-10.

## DEPARTMENT OF HOUSING AND URBAN AFFAIRS

### Schedule 6 - Related Party Transactions

Year ended March 31

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2010	2009	2010	2009
<b>Expenses - Directly Incurred</b>				
Business and Technology Services	\$ -	\$ -	\$ 99	\$ 10
Grants	114,641	71,930	-	-
Insurance	-	-	111	23
	<u>\$ 114,641</u>	<u>\$ 71,930</u>	<u>\$ 210</u>	<u>\$ 33</u>
<b>Receivables from:</b>				
Alberta Social Housing Corporation	\$ -	\$ 17,056	\$ -	\$ -
<b>Payables to:</b>				
Alberta Social Housing Corporation	\$ 37,600	\$ 3,219	\$ -	\$ -

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 7.

	Other Entities	
	2010	2009
<b>Expenses - Incurred by Others (Schedule 7)</b>		
Accommodation	\$ 2,855	\$ 1,235
Air Transportation/Executive Vehicle	24	20
Internal Audit	299	174
Business Services	10	1,055
Legal	192	143
	<u>\$ 3,380</u>	<u>\$ 2,627</u>

# DEPARTMENT OF HOUSING AND URBAN AFFAIRS

## Schedule 7 - Allocated Costs

Year ended March 31

	2010						2009	
	Expenses - Incurred by Others				Valuation Adjustments		Total	Total
	Expenses <sup>(1)</sup>	Accommodation <sup>(2)</sup>	Business Services <sup>(3)</sup>	Legal/Internal Audit <sup>(4)</sup>	Vacation Pay <sup>(5)</sup>			
Ministry Support Services	\$ 5,464	\$ 648	\$ 9	\$ 6	\$ (7)	\$ 6,120	\$ 5,525	
Housing Development and Operations	397,538	745	9	334	76	398,702	542,389	
Homeless Support and Land Development	184,058	1,151	12	150	48	185,419	56,662	
Policy and Urban Affairs	2,114	311	4	1	14	2,444	1,765	
	<u>\$ 589,174</u>	<u>\$ 2,855</u>	<u>\$ 34</u>	<u>\$ 491</u>	<u>\$ 131</u>	<u>\$ 592,685</u>	<u>\$ 606,341</u>	

(1) Expenses - Directly incurred as per Statements of Operations, excluding valuation adjustments.

(2) Costs shown for Accommodation allocated by square footage.

(3) Business Services includes financial and administrative services, air transportation, and executive vehicle services, allocated by estimated costs incurred in each program.

(4) Costs for Legal/Internal Audit allocated by estimated costs incurred by each program.

(5) Vacation pay allocated to the program by employee.

## Alberta Social Housing Corporation

### Financial Statements

March 31, 2010

**Auditor General's Report**

**Statements of Operations**

**Statements of Financial Position**

**Statements of Cash Flows**

**Notes to the Financial Statements**

**Schedules to the Financial Statements:**

- 1    Revenues
- 2    Expenses - Directly Incurred Detailed by Object
- 3    Budget
- 4    Related Party Transactions
- 5    Allocated Costs

## Auditor General's Report



To the Minister of Housing and Urban Affairs

I have audited the statements of financial position of the Alberta Social Housing Corporation (the Corporation) as at March 31, 2010 and 2009 and the statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Merwan N. Saher]

CA  
Auditor General

Edmonton, Alberta  
June 8, 2010

# ALBERTA SOCIAL HOUSING CORPORATION

## Statements of Operations

Year ended March 31

(in thousands)

	2010		2009	
	Budget (Schedule 3)	Actual	Actual (Restated - Note 2c)	
<b>Revenues (Schedule 1)</b>				
Internal Government Transfers	\$ 65,428	\$ 114,641	\$ 71,930	
Transfers from the Government of Canada	65,000	64,280	66,200	
Investment Income	6,035	2,281	5,942	
Other Revenue	125	17,136	11,772	
	<b>136,588</b>	<b>198,338</b>	<b>155,844</b>	
<b>Expenses - Directly Incurred (Note 2b and Schedule 5)</b>				
<b>Support to Housing Providers</b>				
Seniors Housing Providers (Note 12)	2,087	19,675	11,540	
Community Housing Providers (Note 12)	39,450	73,718	43,609	
Other Housing Providers	296	163	163	
Insurance	2,280	2,662	2,157	
Amortization	23,818	22,922	22,867	
Other Asset Administration	165	179	315	
Grants in Kind	19,224	7,078	19,200	
Debt Servicing Costs	18,970	18,968	20,394	
	<b>106,290</b>	<b>145,365</b>	<b>120,245</b>	
<b>Valuation Adjustments</b>				
Provision for Losses on Guarantees,				
Indemnities and Mortgages	85	4	6	
	<b>85</b>	<b>4</b>	<b>6</b>	
	<b>106,375</b>	<b>145,369</b>	<b>120,251</b>	
<b>Gain on Disposal of Tangible Capital Assets</b>				
	14,410	7,337	10,252	
<b>Net Operating Results</b>	<b>\$ 44,623</b>	<b>\$ 60,306</b>	<b>\$ 45,845</b>	

The accompanying notes and schedules are part of these financial statements.

# ALBERTA SOCIAL HOUSING CORPORATION

## Statements of Financial Position

Year ended March 31

(in thousands)

	2010	2009 (Restated - Note 2c)
<b>Assets</b>		
Cash (Note 3)	\$ 255,667	\$ 237,328
Accounts Receivable (Note 4)	76,404	38,929
Loans and Advances (Note 5)	3,153	4,991
Deferred Financing Charges	515	668
Tangible Capital Assets (Note 6)	626,408	638,514
	<u><u>\$ 962,147</u></u>	<u><u>\$ 920,430</u></u>
<b>Liabilities</b>		
Accounts Payable	\$ 2,838	\$ 22,909
Accrued Interest Payable	2,172	2,264
Accrued Liabilities	46,935	21,476
Allowance for Losses on Guarantees and Indemnities (Note 7)	18	12
Long-Term Debt (Note 8)	253,912	277,803
	<u><u>305,875</u></u>	<u><u>324,464</u></u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	595,966	550,121
Net Operating Results	60,306	45,845
Net Assets at End of Year	656,272	595,966
	<u><u>\$ 962,147</u></u>	<u><u>\$ 920,430</u></u>

The accompanying notes and schedules are part of these financial statements.

# ALBERTA SOCIAL HOUSING CORPORATION

## Statements of Cash Flows

Year ended March 31

(in thousands)

	2010	2009 (Restated - Note 2c)
<b>Operating Transactions</b>		
Net Operating Results	\$ 60,306	\$ 45,845
Non-cash items included in Net Operating Results		
Amortization of Tangible Capital Assets	22,922	22,867
Amortization of Deferred Financing Charges	153	167
Grants in Kind	7,078	19,200
Capital Contributions in Kind	(9,457)	(4,499)
Gain on Disposal of Tangible Capital Assets	(7,337)	(10,252)
Valuation Adjustments	4	6
	<u>73,669</u>	<u>73,334</u>
(Increase) Decrease in Accounts Receivable Before Valuation Adjustments	(37,476)	1,693
(Decrease) in Accounts Payable Before Valuation Adjustments	(20,077)	(1,087)
Increase in Accrued Liabilities	25,459	4,951
(Decrease) in Accrued Interest Payable	(92)	(86)
Cash Provided by Operating Transactions	<u>41,483</u>	<u>78,805</u>
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(3,833)	(1,224)
Proceeds on Disposal of Tangible Capital Assets	2,743	105
Cash Applied to Capital Transactions	<u>(1,090)</u>	<u>(1,119)</u>
<b>Investing Transactions</b>		
Repayment of Loans and Advances	1,837	1,556
Cash Provided by Investing Transactions	<u>1,837</u>	<u>1,556</u>
<b>Financing Transactions</b>		
Repayment of Long-Term Debt	(23,891)	(22,486)
Cash Applied to Financing Transactions	<u>(23,891)</u>	<u>(22,486)</u>
<b>Increase in Cash</b>	18,339	56,756
<b>Cash, Beginning of Year</b>	<u>237,328</u>	<u>180,572</u>
<b>Cash, End of Year</b>	<u>\$ 255,667</u>	<u>\$ 237,328</u>

The accompanying notes and schedules are part of these financial statements.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

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### Note 1 Authority and Purpose

The Alberta Social Housing Corporation (the Corporation) operates under the authority of the *Alberta Housing Act*, Chapter A-25, Revised Statutes of Alberta 2000. The Act is jointly administered by the Department of Housing and Urban Affairs and the Department of Seniors and Community Supports.

The Corporation's primary purpose is to facilitate the provision of affordable housing options, through community housing providers, to low-income families and individuals and those with special needs, and administer seniors housing. The Corporation owns and administers the Crown's portfolio of housing assets and manages provincial debts and agreements associated with those assets. This includes administering the sale of provincially owned properties no longer efficient or effective for social housing programs.

The Corporation also oversees the provincial commitments and entitlements remaining from discontinued business activities such as mortgages and loan guarantees. It also directly operates and acts as the landlord for a small portion of units classified as "rural housing."

The Corporation is a crown agent of the Government of Alberta and as such has a tax exempt status.

### Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared primarily in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the Corporation.

#### (a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Housing and Urban Affairs and for which the Minister of Housing and Urban Affairs is accountable. The other entity reporting to the Minister is the Department of Housing and Urban Affairs. The activities of the Department are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

---

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Rural and Native mortgage interest is not accrued when payments are greater than sixty days in arrears.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

##### Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities or unearned revenue.

##### Expenses

##### Directly Incurred

Directly incurred expenses are those costs the Corporation has primary responsibility and accountability for, as reflected in the Government's budget documents.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

---

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (b) Basis of Financial Reporting (Cont'd)

##### Expenses (Cont'd)

###### Directly Incurred (Cont'd)

In addition to program operating expenses such as supplies, directly incurred expenses also include:

- Amortization of tangible capital assets.
- Debt servicing costs.
- Valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

###### *Grant Expense*

Grants under Support to Housing Providers are provided to housing providers to administer housing programs.

###### Incurred by Others

Services contributed by other government entities in support of the Corporation's operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

##### Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Corporation are limited to cash and financial claims, such as advances to and receivables from other organizations and individuals.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (b) Basis of Financial Reporting (Cont'd)

##### Assets (Cont'd)

Loans and advances include mortgages that are reported at cost less provisions for losses, and agreements receivable. Cost of mortgages includes amounts advanced, accrued interest and other charges, less repayments and subsidies.

Deferred financing charges on debt financing are amortized over the life of the debt on a straight-line basis.

Assets acquired by right are not included. Tangible capital assets of the Corporation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets.

All land, excluding land acquired by right, is capitalized. The threshold for all other tangible capital assets is \$5,000.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets less any nominal proceeds or expenses incurred in the sale or disposal process are recorded as grants in kind.

##### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

##### Net Assets

Net Assets represents the difference between the carrying value of assets held by the Corporation and its liabilities.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

---

### Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### (b) Basis of Financial Reporting (Cont'd)

##### Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, due from Department of Housing and Urban Affairs, accounts payable and accrued liabilities, accrued interest payable, and due to Department of Housing and Urban Affairs are estimated to approximate their carrying values because of the short term nature of these instruments. Fair values of loans and advances are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timelines or cost to estimate the fair value with sufficient reliability.

##### Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Estimates relating to the determination of the housing providers accounts receivable of \$27,066 (2009 - \$25,573) as disclosed in these statements is subject to measurement uncertainty.

Insurance recoveries receivable from third party insurers and accounts payable for the repairs of insured property are subject to measurement uncertainty of \$2,140 (2009 - \$2,000). The uncertainty results from negotiation variations between third party insurers and the Alberta Risk Management Fund regarding claims for the Corporation's property.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### **Note 2      Summary of Significant Accounting Policies and Reporting Practices (Cont'd)**

#### **(c) Change in Accounting Policy**

(in thousands)

##### **Change in Treatment of Housing Providers' Surpluses and Deficits**

In prior years, the net operating results of all housing providers were reported as a single sum by program, combining surpluses with deficits.

To improve financial statement transparency, the accounting policy has been changed to reflect that a housing provider's surplus is not related to another housing provider's deficit falling under the same program. Housing providers' deficits are reported as Support to Housing Providers grant expense. Housing providers' surpluses are reported as Other Revenue.

The effect of this change results in an increase of \$5,705 to Other Revenue and an increase of \$5,705 to Support to Housing Providers to reflect the separation of housing provider surpluses and deficits in 2008-09. The 2008-09 financial statements have been restated to reflect this change in treatment. There is no impact to the 2008-09 statement of financial position.

##### **Change in Insurance Estimates**

The property of the Corporation is insured by Alberta Finance and Enterprise's Risk Management Insurance (RMI).

In prior years, estimated insurance recoveries from third party insurers were recorded as reductions to the insurance recoveries receivable.

Due to the uncertainty of the estimated amount of recoveries from third party insurers, insurance claims are recorded at full recovery receivables due from RMI until, if applicable, recoveries from third party insurers can be reasonably confirmed. At time of confirmation, this portion of the recovery is reclassified as receivables due from third party insurers.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

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### **Note 2      Summary of Significant Accounting Policies and Reporting Practices** **(Cont'd)**

#### **(c) Change in Accounting Policy (Cont'd)**

(in thousands)

The effects of this change in accounting policy results in an increase of \$2,000 to accounts receivable and an increase of \$2,000 to accounts payable to reflect the full recovery amounts of insurance claims in 2008-09. The 2008-09 financial statements have been restated to reflect this change in insurance estimates. There is no impact to the 2008-09 statement of operations.

### **Note 3      Cash**

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2010, securities held in the CCITF have an average time-weighted market yield of 1.0% per annum (2009 – 3.0% per annum).

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 4 Accounts Receivable

(in thousands)

	2010		2009	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Canada Mortgage & Housing Corporation	\$ -	\$ -	\$ -	\$ 9
Department of Housing and Urban Affairs <sup>(a)</sup>	37,600	-	37,600	3,219
Department of Transportation <sup>(b)</sup>	1,206	-	1,206	-
Housing Providers <sup>(c)</sup>	27,066	-	27,066	25,573
Risk Management Insurance <sup>(d)</sup>	9,440	-	9,440	7,947
Other	1,130	38	1,092	2,181
	<u>\$ 76,442</u>	<u>\$ 38</u>	<u>\$ 76,404</u>	<u>\$ 38,929</u>

Accounts receivable are unsecured and non-interest bearing.

- a) Receivable for Assistance to Alberta Social Housing Corporation Grants for Housing Providers and Land Development.
- b) Receivable related to Memorandum of Understanding for the Parsons Creek project tree clearing costs.
- c) Management Agencies and Bodies surplus.

Restricted Operating Reserves of \$16,355 have been outstanding since 2005-06. Cash balances of each housing provider are monitored annually. See note 14.

- d) Insurance claims for Alberta Social Housing Corporation housing assets.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 5 Loans and Advances

(in thousands)

	2010				2009	
	Accrual	Non-Accrual <sup>(c)</sup>	Allowance for Losses	Net Realizable Value	Net Realizable Value	
Rural and Native <sup>(a)</sup>	\$ 3,049	\$ 89	\$ 1	\$ 3,137	\$ 4,161	
Agreements receivable <sup>(b)</sup>	-	-	-	-	790	
Other receivables	16	-	-	16	40	
	<u>\$ 3,065</u>	<u>\$ 89</u>	<u>\$ 1</u>	<u>\$ 3,153</u>	<u>\$ 4,991</u>	

- a) These mortgages are provided under the Rural and Native Housing program, with payments based on an amortization period of 25 years and five-year interest renewal terms.
- b) Agreements receivable represent amounts receivable for land sales.
- c) Rural and Native mortgage interest is not accrued when payments are greater than sixty days in arrears

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 6 Tangible Capital Assets

(in thousands)

	2010			2009	
	Land	Buildings	Total	Total	
Estimated useful life	Indefinite 10-50 years <sup>(a)</sup>				
<b>Historical Cost</b>					
Beginning of year	\$ 116,267	\$ 1,087,034	\$ 1,203,301	\$ 1,210,772	
Additions <sup>(b)(c)</sup>	3,847	9,443	13,290	5,722	
Disposals, including write-downs	(175)	(5,428)	(5,603)	(13,193)	
	<u>\$ 119,939</u>	<u>\$ 1,091,049</u>	<u>\$ 1,210,988</u>	<u>\$ 1,203,301</u>	
<b>Accumulated Amortization</b>					
Beginning of year	\$ -	\$ 564,787	\$ 564,787	\$ 546,062	
Amortization expense	-	22,922	22,922	22,867	
Effect of disposals	-	(3,129)	(3,129)	(4,142)	
	<u>\$ -</u>	<u>\$ 584,580</u>	<u>\$ 584,580</u>	<u>\$ 564,787</u>	
Net book value at March 31, 2010	<u>\$ 119,939</u>	<u>\$ 506,469</u>	<u>\$ 626,408</u>		
Net book value at March 31, 2009	<u>\$ 116,267</u>	<u>\$ 522,247</u>		<u>\$ 638,514</u>	

- a) Seniors and special needs buildings are amortized over 50 years, community housing buildings over 40 to 50 years, and all other buildings over 10 to 25 years.
- b) Additions in 2010 include \$14 in donated land and \$9,443 in donated buildings.
- c) Parsons Creek land development costs have been capitalized. Corporation capital expenditures have been incurred in preparation and development of Parsons Creek as part of a multi-year plan for future residential development for the initial phase. Later phases may also include industrial and commercial land development costs.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 6 Tangible Capital Assets (Cont'd)

(in thousands)

	2010	2009
Land Development Costs	\$ 3,833	\$ 1,224
Donations	14	124
	<u>\$ 3,847</u>	<u>\$ 1,348</u>

Land development costs of \$3,833 were incurred on 989 Hectares of crown land. Crown land is valued at \$0.

### Note 7 Guarantees and Indemnities

(in thousands)

The Corporation has outstanding guarantees that were issued on the sale of certain of its mortgages whereby the Corporation will reimburse mortgagees for any losses that may occur on default by mortgagors. Any claims for losses by the mortgagees will be reduced by the amounts realized from the sale of the underlying properties.

Guaranteed amounts, the last of which was guaranteed on March 30, 1994, are as follows:

	2010	2009
Mortgages, on multi-unit rental properties and land, guaranteed to 2011	\$ 10,454	\$ 12,434

Under the former mobile home loan insurance program, the Corporation has agreed to indemnify losses on mobile home loans issued by financial institutions. The outstanding loans as at March 31, 2010 amount to \$148 (2009 - \$250). This program was terminated effective October 1, 1993. However, the Corporation has an ongoing commitment on the insurance policies remaining in force.

An allowance for losses has been made on these guarantees and indemnities in the amount of \$18 (2009 - \$12).

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 8 Long-Term Debt

(in thousands)

The Corporation's long-term debt and exposure to interest rate risk is summarized as follows:

	2010	2009
Canada Mortgage and Housing Corporation <sup>(a)</sup>	\$ 72,763	\$ 74,400
Alberta Finance and Enterprise <sup>(b)</sup>	181,149	203,403
	<u>\$ 253,912</u>	<u>\$ 277,803</u>

a) Debentures maturing January 2023 to January 2030, with a weighted average effective rate of 9.645%.

b) Notes payable maturing September 16, 2016, with an effective rate of 5.93%.

The Province of Alberta guarantees the repayment of principal and interest on all borrowings. The debentures, including interest thereon, are repayable in equal annual or semi-annual installments and the note payable is repayable in equal semi-annual installments.

Approximate aggregate repayments of principal in each of the next five years are:

2011	\$ 25,384
2012	26,973
2013	28,664
2014	30,463
2015	32,377
Thereafter	<u>110,051</u>
	<u>\$ 253,912</u>

Long-term debt has a fair value of \$101,148 (2009 - \$106,278) for Canada Mortgage and Housing Corporation debentures and \$198,380 (2009 - \$226,228) for the note payable to Alberta Finance and Enterprise. Fair values for debt are based on the Province of Alberta's current borrowing rates, which are available to the Corporation for debt with similar terms and maturities.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 9 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met. Grants for housing providers approved for future years have been included as an obligation.

	<u>2010</u>	<u>2009</u>
<b>Obligations under contracts and programs</b>		
Obligations under programs <sup>(a)</sup>	\$ 13,756	\$ -
Service contracts <sup>(b)</sup>	1,118	49
Long-term leases <sup>(c)</sup>	<u>38,644</u>	<u>39,988</u>
	<u><u>\$ 53,518</u></u>	<u><u>\$ 40,037</u></u>

(a) Grants committed for future years.

(b) Service contracts for development of Parsons Creek.

(c) The Corporation leases land under various leases for the purpose of providing social housing.

Estimated payment requirements for each of the next five years and thereafter are as follows:

#### Obligations Under Contracts and Programs

	Obligations under programs	Long-term leases	Service contracts	Total
2010-11	\$ 13,756	\$ 1,347	\$ 798	\$ 15,901
2011-12	-	1,347	320	1,667
2012-13	-	1,347	-	1,347
2013-14	-	1,348	-	1,348
2014-15	-	1,349	-	1,349
Thereafter	-	31,906	-	31,906
	<u><u>\$ 13,756</u></u>	<u><u>\$ 38,644</u></u>	<u><u>\$ 1,118</u></u>	<u><u>\$ 53,518</u></u>

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

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### Note 10 Contingent Liabilities

(in thousands)

At March 31, 2010 the Corporation is a defendant in five legal claims (2009 – five legal claims). All of these claims have specified amounts totaling \$1,079 (2009 – five claims with a specified amount of \$1,821).

Included in the total legal claims are four legal claims amounting to \$654 (2009 – four legal claims amounting to \$1,396) in which the Corporation has been jointly named with other entities. The Alberta Risk Management Fund covers three claims amounting to \$349 (2009 – three claims amounting to \$1,091).

The resulting loss, if any, from these claims cannot be determined.

### Note 11 Program Recoveries

Cost-sharing agreements provide for a contribution by Canada Mortgage and Housing Corporation (CMHC) towards subsidies of rental properties and mortgages receivable and for certain capital costs, administration expenses and net operating results of approved community housing projects that are recorded by the Corporation. Contributions are also provided by CMHC to the Corporation for net operating results of approved seniors housing projects that are recorded by the Corporation.

### Note 12 Housing Providers

(in thousands)

The Corporation supports the provision of seniors and community housing through housing providers. Grants are provided to cover operating deficits of specific programs. Housing providers that incur expenses in excess of revenues are provided grants, totaling \$93,393 in 2010 (\$55,149 in 2009). Recoveries are received from housing providers that generate revenues in excess of expenses, totaling \$6,586 in 2010 (\$5,705 in 2009). Costs for property insurance, amortization and interest on long-term debt are incurred and recorded by the Corporation; housing providers do not incur or record these expenses.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

### Note 12 Housing Providers (Cont'd)

(in thousands)

Information on the recoveries from housing providers included as Other Revenue is as follows:

	2010	2009
	(Restated - Note 2c)	
Seniors Housing Providers - Surplus	\$ 6,582	\$ 5,553
Community Housing Providers - Surplus	4	152
	<u>\$ 6,586</u>	<u>\$ 5,705</u>

Information on the grants to housing providers follows:

	2010	2009
	(Restated - Note 2c)	
Operating Grants to Housing Providers	\$ 45,565	\$ 44,887
Maintenance Grants to Housing Providers	2,500	10,262
Provincial/Federal Retrofit and/or Regeneration of Social Housing	45,328	-
	<u>\$ 93,393</u>	<u>\$ 55,149</u>

The above results are recorded on the Statements of Operations for the year as follows:

	2010	2009
	(Restated - Note 2c)	
<b>Revenues</b>		
Other Revenue	<u>\$ 6,586</u>	<u>\$ 5,705</u>
<b>Expenses</b>		
Support to Housing Providers		
Seniors Housing Providers	\$ 19,675	\$ 11,540
Community Housing Providers	73,718	43,609
	<u>\$ 93,393</u>	<u>\$ 55,149</u>

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year Ended March 31

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### Note 13 Salaries and Benefits

The Corporation has no salaries or benefits to disclose under Treasury Board Directive 12/98 as amended due to the following:

The Corporation has no employees. Department of Housing and Urban Affairs staff administers the Corporation, and the estimated value of these services is included in Schedule 4 as an expense incurred by others.

The Corporation did not pay honoraria to its Board members.

### Note 14 Subsequent Events

(in thousands)

On May 12, 2010, a decision was made to collect the majority of the housing providers Restricted Operating Reserves, estimated at \$10,000 of \$16,355. The remaining funds will be provided as accountable advances to housing providers.

### Note 15 Comparative Figures

Certain 2009 figures have been reclassified to conform to the 2010 presentation.

### Note 16 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer of the Department of Housing and Urban Affairs and the President of the Alberta Social Housing Corporation.

# ALBERTA SOCIAL HOUSING CORPORATION

## Schedule 1 - Revenues

Year ended March 31

(in thousands)

	2010		2009
	Budget (Schedule 3)	Actual	Actual (Restated - Note 2c)
<b>Internal Government Transfers</b>			
Transfers from Department of Housing and Urban Affairs			
Debt Repayments	\$ 23,891	\$ 23,891	\$ 22,486
Housing Providers	41,537	90,750	49,444
	<u>65,428</u>	<u>114,641</u>	<u>71,930</u>
Transfers from the Government of Canada			
Recoveries from Canada Mortgage and Housing Corporation (Note 11)			
	<u>65,000</u>	<u>64,280</u>	<u>66,200</u>
<b>Investment Income</b>			
Bank and Other Mortgages	6,000	2,254	5,928
	<u>35</u>	<u>27</u>	<u>14</u>
	<u>6,035</u>	<u>2,281</u>	<u>5,942</u>
<b>Other Revenue</b>			
Miscellaneous	-	12	10
Contributions in Kind	-	9,457	4,499
Recoveries from Management Organizations	-	6,586	7,064
Rental Revenues	125	145	133
Refunds of Expenditures	-	936	66
	<u>125</u>	<u>17,136</u>	<u>11,772</u>
<b>Total Revenues</b>	<b>\$ 136,588</b>	<b>\$ 198,338</b>	<b>\$ 155,844</b>

# ALBERTA SOCIAL HOUSING CORPORATION

## Schedule 2 - Expenses - Directly Incurred Detailed by Object

Year ended March 31

(in thousands)

	2010		2009	
	Budget (Schedule 3)	Actual	Actual (Restated - Note 2c)	
<b>Voted</b>				
Supplies and Services	\$ 2,401	\$ 3,436	\$ 2,370	
Grants	61,101	100,039	74,614	
Debt Servicing Costs	18,970	18,968	20,394	
Amortization of Tangible Capital Assets	23,818	22,922	22,867	
	<u>\$ 106,290</u>	<u>\$ 145,365</u>	<u>\$ 120,245</u>	
<b>Statutory</b>				
Valuation Adjustments				
Provision for Loss on Guarantees, Indemnities and Mortgages	\$ 85	\$ 4	\$ 6	
	<u>\$ 85</u>	<u>\$ 4</u>	<u>\$ 6</u>	

# ALBERTA SOCIAL HOUSING CORPORATION

## Schedule 3 - Budget

Year ended March 31

(in thousands)

	2009-10 Estimates	Adjust- ments <sup>(a)</sup>	2009-10 Budget	Authorized Supplemen- tary <sup>(b)</sup>	2009-10 Authorized Budget
<b>Revenues</b>					
Internal Government Transfers	\$ 65,428	\$ -	\$ 65,428	\$ 64,410	\$ 129,838
Transfers from the Government of Canada	65,000	-	65,000	-	65,000
Investment Income	6,035	-	6,035	-	6,035
Other Revenue	125	6,000	6,125	-	6,125
	<u>136,588</u>	<u>6,000</u>	<u>142,588</u>	<u>64,410</u>	<u>206,998</u>
<b>Expenses - Directly Incurred</b>					
<b>Voted Expenses</b>					
Support to Housing Providers					
Seniors Housing Providers	2,087	6,000	8,087	22,690	30,777
Community Housing Providers	39,450	-	39,450	22,690	62,140
Other Housing Providers	296	-	296	-	296
Insurance	2,280	-	2,280	-	2,280
Amortization	23,818	-	23,818	-	23,818
Other Asset Administration	165	-	165	-	165
Grants in Kind	19,224	-	19,224	-	19,224
Debt Servicing Costs	18,970	-	18,970	-	18,970
	<u>106,290</u>	<u>6,000</u>	<u>112,290</u>	<u>45,380</u>	<u>157,670</u>
<b>Statutory Expenses</b>					
Valuation Adjustments					
Provision for Losses on Guarantees,					
Indemnities, and Mortgages	85	-	85	-	85
	<u>106,375</u>	<u>6,000</u>	<u>112,375</u>	<u>45,380</u>	<u>157,755</u>
Gain on Disposal of Tangible Capital Assets					
	<u>14,410</u>	<u>-</u>	<u>14,410</u>	<u>-</u>	<u>14,410</u>
<b>Net Operating Results</b>					
	<u>\$ 44,623</u>	<u>\$ -</u>	<u>\$ 44,623</u>	<u>\$ 19,030</u>	<u>\$ 63,653</u>
<b>Capital Investment</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,030</u>	<u>\$ -</u>

(a) Adjustment made for change in accounting policy. See Note 2c.

Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act (for net budgeted initiatives).

(b) Supplementary Estimates for expenses were approved on March 1, 2010.

# ALBERTA SOCIAL HOUSING CORPORATION

## Schedule 4 - Related Party Transactions

Year ended March 31

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Corporation.

The Corporation paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Corporation had the following transactions with related parties recorded on the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2010	2009 (Restated Note 2c)	2010	2009 (Restated Note 2c)
<b>Revenues</b>				
Internal Government Transfers	\$ 114,641	\$ 71,930	\$ -	\$ -
<b>Expenses - Directly Incurred</b>				
Risk Management and Insurance	\$ -	\$ -	\$ 1,338	\$ 1,096
Debt servicing costs	\$ -	\$ -	\$ 11,835	\$ 13,116
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Deferred Financing Charges</b>				
Alberta Finance and Enterprise	\$ -	\$ -	\$ 515	\$ 668
<b>Accounts Receivable</b>				
Department of Transportation	\$ -	\$ -	\$ 1,206	\$ -
Risk Management and Insurance	\$ -	\$ -	\$ 9,439	\$ 7,948
Department of Housing and Urban Affairs	\$ 37,600	\$ 3,219	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accounts Payable</b>				
Alberta Finance and Enterprise <sup>(1)</sup>	\$ -	\$ -	\$ 181,590	\$ 203,898
Risk Management and Insurance	\$ -	\$ -	\$ -	\$ -
Department of Housing and Urban Affairs	\$ -	\$ 17,056	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>

<sup>(1)</sup> Debt and accrued interest on debt.

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

# ALBERTA SOCIAL HOUSING CORPORATION

## Schedule 4 - Related Party Transactions

Year ended March 31

(in thousands)

The Corporation also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2010	2009	2010	2009
<b>Expenses - Incurred by Others (Schedule 5)</b>				
Salaries and wages	\$ 4,278	\$ 3,560	\$ -	\$ -
Supplies and services	902	732	-	-
Accommodation	-	-	1,224	287
Internal Audit	-	-	74	34
Legal	-	-	27	13
	<b>\$ 5,180</b>	<b>\$ 4,292</b>	<b>\$ 1,325</b>	<b>\$ 334</b>

# ALBERTA SOCIAL HOUSING CORPORATION

## Schedule 5 - Allocated Costs

Year ended March 31

(in thousands)

	2010							2009		
	Expenses - Directly Incurred				Expenses - Incurred by Others <sup>(2)</sup>			Valuation Adjustments		
	Expenses <sup>(1)</sup>	Debt Servicing Costs <sup>(1)</sup>	Amortization/ Insurance <sup>(1)</sup>	Grants in Kind <sup>(1)</sup>	Other Services <sup>(3)</sup>	Accommodation	Legal/ Internal Audit	Losses/ Recoveries	Total Expenses	Total Expenses
Seniors Housing Providers	\$ 19,675	\$ 10,374	\$ 16,989	\$ 7,078	\$ 3,515	\$ 833	\$ 68	\$ -	\$ 58,532	\$ 51,753
Community Housing	73,718	8,557	8,522	-	1,654	388	33	-	92,872	71,415
Other Housing	163	37	73	-	11	3	-	-	287	1,267
Other Asset	179	-	-	-	-	-	-	4	183	442
Administration										
	\$ 93,735	\$ 18,968	\$ 25,584	\$ 7,078	\$ 5,180	\$ 1,224	\$ 101	\$ 4	\$ 151,874	\$ 124,877

<sup>(1)</sup> Expenses - Directly Incurred as per Statements of Operations, excluding valuation adjustments.

<sup>(2)</sup> Costs shown for Expenses - Incurred by Others are as disclosed in Schedule 4.

<sup>(3)</sup> Other Services includes salaries and wages, and supplies and services.



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